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

Administrative and Budgetary Procedures of Voluntary Programmes

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

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REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE
AND BUDGETARY QUESTIONS

1. In paragraph 121 of its first report to the General Assembly at its twenty-second session,^{1/} the Advisory Committee on Administrative and Budgetary Questions undertook to submit to the Assembly at its twenty-third session a note on the present administrative and budgetary procedures practice of the United Nations programmes financed from sources other than the regular budget, and the extent of the Committee's present responsibility in this regard.
2. The Advisory Committee indicated that it did not doubt that the administrative arrangements of the voluntary programmes were adequate for their internal needs and that they had proved satisfactory to their governing organs. The Committee went on to say that, whereas the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies strongly recommended that the organizations in the United Nations system should apply as much as possible common principles and standards to the preparation of their budgets and to their budgetary and administrative procedures, the Ad Hoc Committee did not explicitly propose that the same principles and standards should apply equally to the organization's own voluntary programmes. In the opinion of the Advisory Committee, a greater measure of central review and control of the procedures relating to those administrative budgets was desirable.
3. The Advisory Committee has now prepared notes on the administrative and budgetary procedures of the United Nations Children's Fund (UNICEF), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the Office of the United Nations High Commissioner for Refugees (UNHCR), and the United Nations Institute for Training and Research (UNITAR), (annexes I-IV). In view of the fact that the administrative arrangements in the United Nations Development Programme (UNDP) are now under review, the Advisory Committee has not included that programme in its current study.
4. The Committee has noted that, generally speaking, all the four voluntary programmes under consideration apply the United Nations Staff Regulations and Rules, subject to such changes as may be necessary to suit their particular requirements.

^{1/} Official Records of the General Assembly, Twenty-second Session, Supplement No. 7 (A/6707).

5. The Office of the High Commissioner for Refugees, UNICEF and UNITAR also apply the United Nations Financial Regulations. UNRWA has its own financial regulations, which closely follow those of the United Nations and which provide that, in cases which are not governed by UNRWA's own financial regulations, those of the United Nations will serve as a guide. UNRWA and UNITAR have provisions to the effect that "consultations" with the Advisory Committee are needed before their financial regulations can be amended; any special financial rules promulgated by the High Commissioner for Refugees require "review" by the Advisory Committee. UNICEF's supplementary financial rules require the prior approval of the Controller of the United Nations.

6. Despite this near uniformity of financial regulations and rules, certain differences are to be found in budget nomenclature and presentation. In the circumstances, the Advisory Committee is of the opinion that the voluntary programmes should be fully associated with the consultations in the Consultative Committee on Administrative Questions (CCAQ) with a view to bringing about the standardization in these matters recommended by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies. For its own part, the Advisory Committee will include the budget presentations of the voluntary programmes in its current review of the possibility of recommending a more uniform presentation of the budget estimates of the organizations in the United Nations family.

7. The budget estimates of the programmes are prepared under the authority of the executive heads concerned. The procedures for their review are as follows:

(a) In UNICEF, the Executive Board's Committee on Administrative Budget reviews the Administrative and Operational Services Budget, and the Programme Committee considers the project allocations. There exists no provision for a review of the budget estimates by the General Assembly or any of its subsidiary organs.

(b) The budget of UNRWA is prepared by the Commissioner-General "in consultation with the Agency's Advisory Commission"; it is then submitted to the General Assembly (in accordance with UNRWA Financial Regulation 9.1) for its consideration as part of the Commissioner-General's annual report. This report has traditionally been allocated to the Assembly's Special Political Committee. The Advisory Committee is of the opinion that the chapter on the Agency's budget might

also be allocated in future years to the Fifth Committee for consideration from the financial and administrative points of view.

(c) The administrative expenses of the Office of the High Commissioner for Refugees are included by the Secretary-General in the estimates for the regular budget of the United Nations; they are thus reviewed first by the Advisory Committee and then by the Fifth Committee of the General Assembly. The voluntary funds are administered by the High Commissioner subject to the approval of the Executive Committee.

(d) In UNITAR, the budget is approved by the Board of Trustees of the Institute following review by the Board's Administrative and Financial Committee. The necessary financial and accounting functions are performed by the Controller of the United Nations.

8. The accounts of the four voluntary programmes under consideration are audited by the United Nations Board of Auditors and, together with the Board's observations thereon, are reviewed by the Advisory Committee and by the General Assembly. UNICEF also has its own small internal audit unit.

9. Thus, whereas the General Assembly does not consider the budget estimates of the four voluntary programmes (with the exception of the administrative expenses of the Office of the United Nations High Commissioner for Refugees), it has annually reviewed their audited accounts.

10. The Advisory Committee notes that the reporting procedures of the programmes lack uniformity. UNICEF reports to the Economic and Social Council, which then includes a chapter on the Fund in its own report to the General Assembly. UNRWA reports directly to the General Assembly. The High Commissioner for Refugees reports to the General Assembly through the Economic and Social Council. Lastly, the Executive Director of UNITAR reports annually to the General Assembly and, "as appropriate", to the Economic and Social Council (in practice, annual reports have been submitted to the Council).

11. The Advisory Committee notes also that the necessary statutory provisions and administrative arrangements exist to ensure proper co-ordination between the voluntary programmes and the United Nations and the specialized agencies.

Conclusions of the Advisory Committee

12. On the basis of its consideration of the administrative and budgetary practices of UNICEF, UNRWA, UNHCR and UNITAR, the Advisory Committee has concluded that there is a large measure of uniformity in the practices followed by these four voluntary programmes.

13. At the same time, the Committee is of the opinion that there is room for further standardization in budget nomenclature and presentation. As stated in paragraph 6 above, the Committee believes that the voluntary programmes should be closely associated with CCAQ in the further study of this question.

14. As regards the review by the General Assembly and/or its subsidiary organs of the administrative budgets of the voluntary programmes, the Advisory Committee would recall that the relevant estimates for UNDP are submitted to it by the Administrator for comment. The administrative expenses of the Office of the United Nations High Commissioner for Refugees are also reviewed by the Advisory Committee and the General Assembly. This is not so in the case of the other voluntary programmes. The Advisory Committee believes that more thorough consideration of the administrative budget of UNRWA by the General Assembly would be desirable to give effect to UNRWA's Financial Regulation 9.1. Similarly, as UNITAR's work-load and responsibilities increase, the General Assembly may wish to devote more attention to the administrative budget of that organization. As regards UNICEF, the General Assembly may wish to seek the views of the Economic and Social Council as to whether the Council feels it is necessary for the Assembly to give consideration to the administrative budget of that organization.

ANNEX I

UNITED NATIONS CHILDREN'S FUND

I. Establishment and functions

1. On 30 September 1946, the Economic and Social Council adopted resolution 10 (III) in which, after

"taking note of resolution 103 adopted at the fifth session of the UNRRA Council in August 1946, which contemplates the creation of an International Children's Emergency Fund to be utilized for the benefit of children and adolescents of countries which were the victims of aggression",

it recommended that

"the General Assembly arrange... for the creation of an International Children's Emergency Fund, subject to the control of the Economic and Social Council. Such fund shall consist of any assets made available by UNRRA and of any voluntary contribution made available by Governments, voluntary agencies, individuals and other sources..."

2. The General Assembly, having considered Economic and Social Council resolution 10 (III) and "recognizing the desirability of establishing such a Fund in accordance with Article 55 of the Charter of the United Nations", decided, by resolution 57 (I) of 11 December 1946, that:

"1. There is hereby created an International Children's Emergency Fund to be utilized and administered, to the extent of its available resources:

(a) For the benefit of children and adolescents of countries which were victims of aggression and in order to assist in their rehabilitation;

(b) For the benefit of children and adolescents of countries at present receiving assistance from the United Nations Relief and Rehabilitation Administration;

(c) For child health purposes generally, giving high priority to the children of countries victims of aggression."

3. It will be noted that whereas UNRRA and the Economic and Social Council originally envisaged that UNICEF's operations would be confined to countries which were the victims of aggression, the General Assembly broadened that scope. In

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resolution 318 (IV) of 2 December 1949, it noted "with approval the decisions of the Executive Board of the Fund to devote henceforth a greater share of the Fund's resources to the development of programmes outside Europe". A year later (see para. 5 below), the emphasis shifted to meeting continuing needs "particularly in under-developed countries".

4. By resolution 310 (XI) dated 11 August 1950, the Economic and Social Council resolved that:

"with a view to ensuring the uninterrupted continuation and development of the activities of the International Children's Emergency Fund, there should be continued a United Nations fund for children to be known as the United Nations International Children's Endowment Fund (UNICEF) for the purpose of:

(a) Providing supplies, training services, and advisory assistance in support of the recipient countries' permanent programmes for children, and

(b) Meeting relief needs in cases of serious emergencies."

5. Having considered that resolution, the General Assembly, in resolution 417 (V) of 1 December 1950 recognized "the necessity for continued action to relieve the sufferings of children, particularly in under-developed countries and countries that have been subjected to the devastation of war and to other calamities". Instead of setting up an Endowment Fund, however, the Assembly decided to continue the Emergency Fund and "again consider the future of the Fund at the expiration of three years, with the object of continuing the Fund on a permanent basis". The General Assembly decided that the Executive Board of the Fund should be reconstituted and that the Board:

"in accordance with such principles as may be laid down by the Economic and Social Council and its Social Commission, shall, with due regard to the urgency of the needs and available resources, formulate the policies, determine the programmes and allocate the resources of the Fund for the purposes of meeting, through the provision of supplies, training and advice, emergency and long-range needs of children and their continuing needs particularly in under-developed countries, with a view to strengthening, wherever this may be appropriate, the permanent child health and child welfare programmes of the countries receiving assistance."

6. By resolution 802 (VIII) of 6 October 1953, the General Assembly, acting upon the recommendations contained in Economic and Social Council resolution 495 (XVI) of 20 July 1953, "considering the urgent need for continuing the work of UNICEF, particularly in the under-developed regions of the world", reaffirmed the pertinent

provisions of its resolutions 57 (I) and 417 (V), "with the exception of any reference to time-limits contained in these resolutions" - thereby continuing the Fund on a permanent basis. It also decided to change the name of the organization to United Nations Children's Fund but to retain the symbol UNICEF.

7. In resolution 1507 (XV) of 12 December 1960, the Assembly welcomed

"the action of the Executive Board... in elaborating the activities to be undertaken by the Fund... in helping countries give effect to the principles proclaimed in the Declaration of the Rights of the Child",

and encouraged

"the Fund to increase aid to countries passing through difficult transitional stages, particularly in Africa, without prejudicing the level of aid to other countries requiring assistance."

8. In resolution 1773 (XVII) of 7 December 1962, the General Assembly, considering that the United Nations Development Decade offered an opportunity to promote the health, education and welfare of children and youth as part of the broader effort to accelerate economic and social progress in the developing countries, noted with approval the decisions of the Executive Board for "orienting the work of the Fund towards the economic and social development efforts of the United Nations Development Decade".

9. The break-down of allocations by type of programme (expressed in percentages) over the years 1961-1967 is given in the following table:

	<u>1961-1965</u> <u>(average)</u>	<u>1966</u>	<u>1967</u>	<u>1968</u> <u>provisional</u>
Health	63	59	51	45
Nutrition	18	18	13	13
Welfare	4	4	5	4
Education and vocational training	11	14	24	26
Other long-range	2	5	2	4
Emergency aid	2	-	5	8
Totals . .	100	100	100	100

10. Roughly 80 per cent of UNICEF assistance takes the form of direct operational support of country projects - equipment, teaching aids, drugs, transport etc. Nearly the whole of the balance represents local cash grants for training purposes, stipends for trainees and fees for teaching staff.
11. UNICEF was awarded the Nobel Peace Prize for 1965.

II. Management of the Fund

A. Executive Board

12. The policy-making organ of UNICEF is its Executive Board. General Assembly resolution 57 (I) provided that "policies, including the determination of programmes and allocation of funds" would be established by the Executive Board "in accordance with such principles as may be laid down by the Economic and Social Council and its Social Commission".

13. The original membership of the Board, as established by resolution 57 (I), was Argentina, Australia, Brazil, Byelorussian Soviet Socialist Republic, Canada, China, Colombia, Czechoslovakia, Denmark, Ecuador, France, Greece, Iraq, Netherlands, New Zealand, Norway, Peru, Poland, Sweden, Ukrainian Soviet Socialist Republic, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom, United States of America, and Yugoslavia. Under the terms of the resolution,

"the Economic and Social Council, on the recommendation of the Executive Board, may designate other Governments as members of the Board. Membership may be changed by the General Assembly, on the recommendation of the Economic and Social Council, at any time after the first three years of the Fund's existence".

14. By resolution 417 (V) of 1 December 1950, the General Assembly decided

"that the Executive Board of the Fund shall be reconstituted as from 1 January 1951 to consist of the governments of the States represented on the Social Commission and the governments of eight other States, not necessarily members of the United Nations, to be designated by the Economic and Social Council for appropriate terms, with due regard to geographical distribution and to the representation of the major contributing and recipient countries".

15. On 1 May 1956, the Economic and Social Council adopted resolution 610 (XXI) in which,

"Considering that it would be desirable to separate the membership of the Executive Board of the United Nations Children's Fund from the membership of the Social Commission in order to provide for the direct election of all members of the Executive Board,

1. Recommends that the General Assembly replace paragraph 6 (a) of resolution 417 (V) of 1 December 1950 by the following:

"That the Executive Board of the United Nations Children's Fund shall be reconstituted as from 1 January 1957 to consist of twenty-six States, Members of the United Nations or members of the specialized agencies, to be designated by the Economic and Social Council for appropriate periods, without prejudice to the terms of the States already elected and with due regard to geographic distribution and to the representation of the major contributing and recipient countries".

16. By resolution 1038 (XI) of 7 December 1956, the General Assembly acted upon the recommendation of the Economic and Social Council, but increased the size of the Executive Board to thirty members.

17. In accordance with a decision taken by the Economic and Social Council in resolution 610 (XXI), one-third of the members of the Executive Board of UNICEF (i.e. ten members) are elected each year for a three-year term of office.

18. Under the terms of General Assembly resolution 57 (I)

"the Board may designate from among its members such committees as it deems available in the interest of effective administration. The Board shall elect its own Chairman and its Vice-Chairman, and shall meet whenever convened by the Chairman, or upon the request of any three of its members... Each member of the Board shall have one vote. A majority of the Board shall constitute a quorum and it shall vote by a majority of the members present and voting. Subject to the foregoing, the Board may establish its own rules of procedure".^{a/}

19. The Executive Board has established a Programme Committee and a Committee on Administrative Budget (see paragraphs 37-38 and 49 below).

20. Sessions of the Executive Board are attended by representatives of the United Nations, the specialized agencies, non-governmental organizations and UNICEF national committees.

^{a/} For the rules of procedure, see E/ICEF/177/Rev.2

B. Executive Director

21. Under General Assembly resolution 57 (I), the Fund is administered by the Executive Director under policies established by the Executive Board. The Executive Director is appointed by the Secretary-General of the United Nations, in consultation with the Executive Board.

22. The Executive Director acts in that capacity at meetings of the Executive Board and its committees; in consultation with the Chairman, he draws up the provisional agenda for the Board's sessions. The Executive Director is responsible for preparing the budget estimates of UNICEF and an annual report on the administration of the Fund.

C. Secretariat

23. The staff of UNICEF are appointed by the Executive Director and paid out of UNICEF's own resources. A Personnel Committee of the Secretariat makes recommendations to the Executive Director in matters relating to appointments and promotions; the Office of Personnel of the United Nations is represented, as appropriate, at meetings of the Personnel Committee. The staff of UNICEF are subject to the United Nations Staff Regulations and Rules.^{b/}

24. The UNICEF secretariat at Headquarters is comprised of the Office of the Executive Director, Programme Division, Food Conservation Division, Supply Division, Comptroller's Division, Administrative Division, Public Information Division (whose objectives are to influence the climate of public opinion in favour of investment in children as an important development resource, and to provide information geared to raising funds from both governmental and private sources), and an Office of the Secretary of the Executive Board.

25. The network of thirty-two field offices and of liaison offices are grouped into six regions (Africa south of the Sahara, the Americas, East Asia and Pakistan, Europe and North Africa, Eastern Mediterranean, South Central Asia).

26. The manning table for 1969 consists of 842 posts (199 at headquarters and 643 in the field); of this total, 552 posts are financed by UNICEF and 290 by Governments which receive assistance.

^{b/} Unlike the United Nations, UNICEF employs a number of "national professional" staff, whose pay and conditions of service are determined by the best prevailing conditions in the locality and who are not subject to international transfer. The manning table for 1969 provides for seventy-seven such national professional staff.

III. Finances

27. In resolution 57 (I) of 11 December 1946 the General Assembly laid down that:

"2 (a). The Fund shall consist of any assets made available by UNRRA or any voluntary contributions made available by Governments, voluntary agencies, individual or other sources. It shall be authorized to receive funds, contributions or other assistance from any of the foregoing sources; to make expenditures and to finance or arrange for the provision of supplies, material, services and technical assistance for the furtherance of the foregoing purposes; to facilitate and co-ordinate activities relating thereto; and, generally, to acquire, hold or transfer property, and to take any other legal action necessary or useful in the performance of its object and purposes."

In the same resolution, the General Assembly authorized the Executive Board to pay from the Fund claims arising from its operation.

28. UNICEF does not hold pledging conferences. Most of the contributing Governments, however, make contributions regularly on an annual basis. Furthermore, a number of host Governments contribute to trust funds, under the UNICEF Basic Agreement, to cover field office costs of salaries, wages and common staff costs for local staff, and other local office expenses, such as communications, maintenance and rental of premises, stationery and office supplies etc. These contributions are not shown in the UNICEF Administrative and Operational Services Budget Estimates; they are included, however, in the data given in the annual financial report and accounts of the Fund, which is submitted to the General Assembly.

29. Voluntary contributions by Governments accounted for 75.8 per cent of UNICEF's total income of \$35.2 million in 1966, and 73.8 per cent in 1967, when total income amounted to \$38.5 million. Income in 1968 is estimated at \$43 million with the share of total income derived from government contributions declining to some 68 per cent. Income from non-governmental sources, including income from the sale of UNICEF greeting cards, is expected to show a corresponding rise.

30. The UNICEF Greeting Card operation has grown in a most gratifying manner, with net profits rising from \$4,200 in 1950 to \$3.1 million in 1966. Among steps taken by UNICEF to reduce costs have been computer estimating techniques (first used in 1965), and the location of printers and of collation points in proximity to the major selling points. Net income of the Greeting Card Fund as a percentage

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of gross income amounted to 43 per cent in the 1966 season. This was the same percentage as for 1963 and 1964. The goal set by the Greeting Card Fund is 50 per cent. Payments from the Greeting Card Fund to the general fund accounted for 6.1 per cent of UNICEF's total income in 1965 and 7.8 per cent in 1966 and 1967. In 1968, accumulated profits of \$1.7 million of the Greeting Card Fund were transferred to the general resources of UNICEF and it was agreed that henceforth greeting card production was to be financed entirely from UNICEF's working capital rather than from a separate working capital derived from greeting card profits.

31. The growth of the greeting cards operation has been due in large part, to the efforts of UNICEF national committees, whose help, inter alia, made it possible to keep to a minimum the staff and other costs required for the distribution and sale of the cards. The national committees also contribute to UNICEF's income by raising funds for individual projects adopted by them.

32. UNICEF's income is used to finance projects and the Fund's administrative and operational services budget. The procedures followed in the appropriation of the necessary funds are described in paragraphs 36 et seq. below.

33. The following table indicates UNICEF's programme expenditure and expenditure on administrative and operational services in 1965-1968:

(In millions of dollars)

	1965		1966		1967		1968 (estimated)	
	\$	Per cent	\$	Per cent	\$	Per cent	\$	Per cent
Programme expenditure	24.9	79.83	28.5	80.46	31.6	80.61	36.5	81.66
Operational services (net)	4.0	12.94	4.3	12.18	4.8	12.15	5.2	11.63
	28.9	92.77	32.8	92.64	36.4	92.76	41.7	93.29
Administrative expenditure (net) . . .	2.3	7.23	2.6	7.36	2.8	7.24	3.0	6.71
Total	31.2	100.00	35.4	100.00	39.2	100.00	44.7	100.00

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34. UNICEF is working towards a goal of an annual income of \$50 million from voluntary contributions by Governments and private sources. It had hoped to reach this goal by the end of 1969, but it now appears that this goal will not be attained by that time.

35. UNICEF considers^{c/} that the form of presentation of its budget estimates and the form of appropriation of funds correspond to the recommendations made by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies in its second report to the General Assembly (A/6343).

A. Programmes budget

36. The policies relating to the determination of programmes are established by the Executive Board. On the basis of those policies, the Executive Director submits detailed recommendations to the Programme Committee of the Board.

37. The composition and functions of the Programme Committee are laid down in the Board's rules of procedure (E/ICEF/177/Rev.2) as follows:

"Rule 56

There shall be established a Programme Committee consisting of twelve members elected by the Executive Board. The Board may increase or decrease the membership of the Committee.

The Board shall elect the Chairman of the Programme Committee from among the members of that Committee. The Programme Committee may elect such other officers as it deems necessary.

The Chairman of the Executive Board and the Chairman of the Committee on Administrative Budget shall be invited to sit with the Programme Committee and participate in its deliberations.

Rule 58

The functions of the Programme Committee shall be:

(a) to examine applications made by Governments for assistance, within the policies established for the Fund, and to make recommendations thereon to the Executive Board;

(b) to make recommendations to the Executive Board on the institution and execution of programmes including the raising of funds as well as all other current activities of the Fund.

^{c/} E/ICEF/AB/L.68, paras. 12-16.

Rule 59

The Programme Committee shall submit to each session of the Board a report on its activities."

38. The membership of the Programme Committee was increased from twelve to twenty in February 1965, and has risen gradually since then; at the 1969 session the Programme Committee will consist of twenty-three members. At its June 1968 session, the Board discussed converting the Programme Committee into a Committee of the Whole, but deferred a decision in principle on this because it was linked to the questions on which a decision might be taken later concerning the desirability of increasing the size of the Board.

39. The recommendations submitted by the Executive Director of the Programme Committee include an explanatory note or report on the projects recommended. Since 1966, the Committee has considered recommended programme assistance grouped by regions, instead of by programme categories as in the past. The commitments and allocations recommended by the Programme Committee are submitted to the Board, which is also provided with summaries of the amounts recommended both by major category of programme and by area. The Board is also informed of the expected balance in outstanding programme commitments for future allocation.

40. Included in the material laid before the Programme Committee is a report by the Executive Director which lists unused balances of allocated funds resulting from savings due to price reductions in the supplies or equipment requirements, from over-estimation of the amount of supplies and other assistance for individual projects or from the cancellation of projects. The report also contains recommendations for additional allocations to cover over-expenditure on approved projects.

41. The report of the Programme Committee is reviewed and programme assistance is approved by the Executive Board. A description of the projects for which aid has been approved by the Board, together with summaries of approved commitments and allocations are included in the Board's report to the Economic and Social Council.^{d/} When there is need for emergency aid, the Board has procedures for approving allocations by mail poll.

d/ Allocations approved by the Board in June 1968 for long-range aid were divided as follows by field of activity: health, 53 per cent; education and prevocational training, 29 per cent; nutrition, 9 per cent; welfare, 4 per cent; others, 5 per cent.

42. Project allocations are approved for specific objectives and do not lapse at the end of a budget period; hence the question of the biennial budget cycle does not arise for UNICEF in the same form as for a specialized agency.

43. At each session, the Board adopts a two-year financial plan which is partially a target and partially a forecast. In June 1963, the Executive Board approved a revised financial policy permitting allocations to be based on resources foreseen up to the time of the next Board session. In May 1966, the Board requested the Executive Director to take steps to put UNICEF's funds to more rapid use and to prepare a larger programme of allocations so that by the end of 1968 the funds-in-hand would be reduced to the minimum required for working capital. The Executive Director responded by submitting a financial plan for 1967 and 1968 providing for an increased level of allocations and commitments by drawing upon reserves and anticipating future income, in the expectation that greater financial support would be forthcoming as time went on. The Executive Board approved the Executive Director's plan at its June 1967 session. It also agreed that the target level of "funds-in-hand" (cash and short-term investments) should be set at \$18 million, with the expectation that it would fluctuate between \$15 and \$21 million. At the Board session in June 1968, it was estimated that funds-in-hand at the end of the year would be \$13 ± \$1 million, which was less than the lower limits set by the Board. However, there had been an increase of stocks in the UNICEF Packing and Assembly Centre and in transit, which provided an element of liquidity. Nevertheless, the Board agreed that funds-in-hand had to be brought to a more adequate level. The Board set a figure of from \$13 to \$18 million for 1969.

44. Early procurement against approved allocations has recently become an established policy of UNICEF, and is mainly in the form of supplies for the Copenhagen Packing and Assembly Centre for later shipment, and raw materials awaiting processing. Such supplies are shown among the Funds assets.

45. The following table indicates the balance of approved commitments and allocations as at 31 December 1965, 1966 and 1967.

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(In millions of dollars)

	1965 \$	1966 \$	1967 \$
Allocations approved by the Executive Board (to be fulfilled)	56.5	55.6	63.3
of which, to be financed from future income	21.9	22	31.1
Commitments approved by the Board against future income, against which no allocations have been made	28.1	26.6	30.5

46. The bulk (75-80 per cent) of programme expenditure by UNICEF consists of supplies and equipment. Of the balance, the major portion is accounted for by fellowships and training grants.

47. The principles and practices followed in the purchase of supplies and equipment for project aid - including the use of different currencies, the purchase of locally-produced supplies, quality guidelines, and competitive bidding - was the subject of a comprehensive report submitted by the Executive Director to the Board at its June 1968 session (E/ICEF/574). Because of lack of time at this session, it was deferred for consideration at the session to be held in May 1969.

48. A basic principle underlying UNICEF programmes is, in the words of General Assembly resolution 57 (I) that "the Fund shall not engage in activity in any country except in consultation with, and with the consent of, the Government concerned". Furthermore, UNICEF believes that it should focus its assistance on key programmes of benefit to children and young people which have recognized priority within the context of the development efforts of individual countries; hence UNICEF does not establish global priorities for the allocation of its resources. In the Board's view, UNICEF's resources should be concentrated on fewer but larger projects. UNICEF-assisted projects also receive substantial internal matching contributions from local governments; in recent years, for each dollar allocated by UNICEF, the assisted Governments spent, or agreed to spend at a later date, an average of over \$2.50.

B. Administrative and operational services budget

49. The administrative and operational services budget estimates, as prepared by the Executive Director, are reviewed by the Committee on Administrative Budget of the Executive Board. This Committee has been established under rule 64 of ...

the rules of procedure of the Executive Board (E/ICEF/177/Rev.2), which provides that:

"The Board may designate from among its members a Committee on Administrative Budget and such other committees as it deems advisable in the interest of effective administration. Such committees shall elect their own officers except that the Board shall elect the Chairman of the Committee on Administrative Budget from among the members of that Committee. The Chairman of the Executive Board and the Chairman of the Programme Committee shall be invited to sit with the Committee on Administrative Budget and participate in its deliberations."

For 1968/1969, the Board established the size of this Committee at fourteen members.

50. In the course of its session, the Committee on Administrative Budget reviews and approves the financial report and statements of UNICEF (which cover programme expenditure as well as the administrative and operational services budget) and the Greeting Card Financial Report for the preceding year; it carries out a mid-year review and, if necessary, considers supplementary estimates for the current year; and it considers budget estimates for the following year. The Committee recommends a draft budget resolution for adoption by the Board.

51. The administrative and operational services budget is presented on an object-of-expenditure basis. The expenditure side of the budget is divided into two sections:

1. Salaries, wages and common staff costs (which include travel on home leave), and
2. Other expenses and permanent equipment.

Transfers between sections require the authorization of the Committee on Administrative Budget. The Income Estimates show separately income from staff assessment, and other income. A distinctive feature of UNICEF is that the financing resolution provides for the allocation of funds in two equal instalments - half in June of the year preceding the budget year in question and the balance in June of the budget year itself.

52. As its name implies, the Administrative and Operational Services Budget covers expenditures at headquarters and in the field. The operational services consist of (a) cost of personnel and related services of offices of Resident Directors and UNICEF representatives; (b) cost of personnel and related services

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of food conservation engineering; and (c) cost of personnel and related services of the procurement and shipping operations.

53. The growth of UNICEF's administrative and operational services budget in 1966-1968 has been as follows:

	<u>1968</u> <u>estimate</u> ^{a/} \$	<u>1967</u> <u>actual</u> \$	<u>1966</u> <u>(Actual)</u> \$
Section 1: Salaries, wages and common staff costs	7,377,900	6,941,869	6,553,098
Section 2: Other expenses and permanent equipment	1,471,300	1,425,116	1,133,207
Totals:	8,849,200	8,366,985	7,686,305

^{a/} Excluding 1968 supplementary budget estimates.

The increases under Section 1 are attributable largely to the chapters "Established Posts" and "Pension Fund Contributions". Under Section 2, the increase has been due almost wholly to the need for UNICEF to move into rented premises in New York.

54. Expenditure on staff in 1968 is estimated as follows between headquarters and the field (expressed in percentages): International staff costs, 63 per cent New York local staff, 14.9 per cent; local staff of field offices, 22.1 per cent of total staff costs. Other expenses and permanent equipment are divided as follows: headquarters, 51.5 per cent; field offices, 48.5 per cent.

55. The budget estimates for 1968 provide for a gross amount of \$3,141,000 for administration and \$5,708,200 for operational services.^{e/} The Executive Director has explained to the Executive Board that whereas the ratio of administrative expenditures to total expenditures has remained at about 7 per cent during the last ten years, the ratio of operational services expenditures has increased, largely owing to the expansion of the field establishment. More time is now devoted to the preparation of projects involving several ministries or departments. Co-ordination of UNICEF aid with that of bilateral, multilateral and voluntary agencies requires increased attention.^{f/}

^{e/} Excluding 1968 supplementary budget estimates.

^{f/} E/ICEF/AB/L.68, para. 29.

56. It should be noted that the United Nations, under operative paragraph 4 (b) of General Assembly resolution 57 (I), provides UNICEF free of charge with conference, translation and payroll services.^{g/}

57. The Committee on Administrative Budget also considers the budget estimates of the Copenhagen Packing and Assembly Centre and of the Greeting Card Fund.

58. The costs of operating the Copenhagen Centre are charged to project allocations in the form of a surcharge (now amounting to 10 per cent) on the purchase price of the supplies ex factory. While the Committee had previously merely reviewed the operations of the Centre, detailed budget estimates were first submitted to it in 1967.

59. The financial year of the Greeting Card Fund runs from 1 May to 30 April. At its June 1967 session, the Committee on Administrative Budget had before it an interim report of a management study of the operation carried out by the United Nations Administrative Management Service designed to strengthen accounting, administrative and financial aspects of the operation, sales management and promotion and the search for suitable designs.

C. Budgetary and other controls

60. At the Secretariat level, responsibility for the financial operations of UNICEF, including the control of the use of the assets of the Fund and the recording and internal audit of income and expenditure, rests with the Comptroller's Division. The Comptroller certifies the Annual Accounts of UNICEF; he also acts as Chairman of the Contract Review Committee, which reviews and approves all recommendations for purchases exceeding \$10,000, and of the Insurance Survey Board,^{h/} and serves as a member of the Property Survey Board and the Claims Board.

61. The budget estimates, as prepared by the Administrative Division of the UNICEF secretariat for submission to the Executive Board, are made available to the United Nations Office of the Controller for technical comment.

^{g/} Operative paragraph 4 (b) reads as follows: "The United Nations shall make no charge to the Fund on account of staff and facilities, so long as these can be provided from the established services of the Secretariat and within the limits of the United Nations budget. If additional funds are necessary, money for such purposes shall be provided by the Fund".

^{h/} Since November 1950, UNICEF has pursued a policy of self-insurance. It has a reserve for insurance in the amount of \$200,000.

62. UNICEF applies the United Nations Financial Regulations and Rules. Although, in 1948, the Executive Board had authorized the Executive Director, subject to the approval of the Controller of the United Nations and of the Board itself, to establish supplementary financial rules, no such additional rules have been promulgated. The provision is retained, however, in rule 20 of the rules of procedure of the Executive Board.

63. In line with suggestions by the United Nations Board of External Auditors, UNICEF's Internal Audit has been strengthened and an audit manual has been issued. The Executive Board was informed at its June 1967 session that the Executive Director was in touch with the United Nations Controller with a view to a possible takeover of UNICEF's internal audit operation by the United Nations Internal Audit Service. It may be pointed out in this connexion that in the early years of UNICEF, the Controller of the United Nations exercised certain supervisory functions over UNICEF's finances; those functions were, however, later discontinued by mutual agreement. Accordingly, the provision in rule 19 of the rules of procedure of the UNICEF Executive Board that the approved estimates "shall then be submitted for the approval of the Secretary-General and issue of allotments accordingly" is no longer adhered to.

64. Pursuant to operative paragraph 6 of General Assembly resolution 57 (I) the financial report and accounts of UNICEF are audited by the United Nations Board of Auditors and, together with the Board's report, and the Advisory Committee's comments thereon, are submitted to the General Assembly by the Secretary-General. This material includes a statement of income and expenditure (which covers the programmes and administrative budgets and the Greeting Card Fund), a statement giving the financial position of UNICEF as of the last day of the financial year, and for the administrative budget, a consolidated statement of budgetary estimates, obligations incurred, and unencumbered balance at the end of the financial year.

IV. Programme evaluation

65. Nearly every UNICEF plan of operations now contains a standard clause providing for the periodic evaluation of the project. However, this effort has only begun, and in many instances base-line data and criteria by which programmes could be appraised are still lacking.

66. At its session in June 1967, the Executive Board had before it country and over-all evaluation reports on maternal and child health and applied nutrition. At its session in June 1968, it considered an over-all assessment of education projects. The Board recognized the importance of both general and individual-project evaluations. With regard to the latter, it was felt that more aid would be needed for that purpose from UNICEF and the specialized agencies.^{i/}

V. Co-ordination with other United Nations bodies

67. UNICEF has, from the outset, maintained close relations with the United Nations and the specialized agencies. In resolution 57 (I) establishing the Fund, the General Assembly indicated that the Fund's Executive Board "may, as occasions arise, invite representatives of specialized agencies for consultation on matters within their competence". In the same resolution, the General Assembly made provision for assistance in staff and facilities to be rendered to UNICEF by the United Nations and the specialized agencies. In resolution 417 (V) of 1 December 1950, the General Assembly decided "that the Executive Board shall take all necessary steps to ensure close collaboration between the Administration of the Fund and the specialized agencies, pursuant to the agreements between the United Nations and the specialized agencies".

68. Furthermore, by resolution 802 (VIII) of 6 October 1953, the General Assembly requested the Secretary-General "to ensure that the programmes carried on by UNICEF continue to be co-ordinated effectively with the regular and technical assistance programmes of the United Nations and the specialized agencies [and] to report thereon to the Economic and Social Council... as appropriate".

69. When the General Assembly, by resolution 1678 (XVI) of 18 December 1961, endorsed the new emphasis and approach of UNICEF programmes designed to help give effect to the Declaration of the Rights of the Child (General Assembly resolution 1386 (XIV) of 20 November 1959), it expressed the hope that the specialized agencies would "co-operate fully with the implementation of the new emphasis and approach of the programmes of the Fund, particularly by assisting

^{i/} Official Records of the Economic and Social Council, Forty-third Session, Supplement No. 8 (E/4403), paras. 156-158.

countries wishing to draw up and implement longer-term programmes for child welfare within the framework of their economic and social development plans". The Assembly also requested "the resident representatives of the Technical Assistance Board, in promoting the co-ordination of these efforts, to continue to offer every possible assistance to the Governments and agencies concerned".

70. Co-operation between UNICEF and WHO dates back to the early years of UNICEF's operations. In resolution 214 (III) of 8 December 1948, the General Assembly "noted with satisfaction the successful arrangements" made for such co-operation. In 1960, the two organizations established a UNICEF-WHO Joint Committee on health policy; UNICEF representation consists of the Chairmen of the Executive Board and of the Programme Committee, by virtue of their office, and four individual members of Government delegations to the Board - and their alternates, who are elected by name.

71. Since 1958, UNICEF has had a Joint Policy Committee with FAO. This body was initially established for a limited term, since extended several times; it has been meeting, on an average, every two years. UNICEF co-operates with both FAO and WHO in the applied nutrition programme.

72. Since 1961, UNICEF has been co-operating with UNESCO and the ILO in education and vocational training programmes, but it does not have joint committees with those or any other specialized agencies. However, representatives of the ILO and UNESCO, in addition to representatives of the United Nations, the World Food Programme, FAO and WHO, attend sessions of the UNICEF Executive Board and of its Programme Committee. Furthermore, WHO, FAO and UNESCO have assigned permanent advisers to UNICEF headquarters.

73. UNICEF maintains close working relations in the field with the local offices of the United Nations, UNDP and the specialized agencies. Several of the UNICEF field offices share common premises with United Nations Information Centres and offices of UNDP resident representatives. UNICEF has recently expanded the number of its liaison officers who are administratively attached to the local UNDP Resident Representative, though they receive instructions from and report through UNICEF channels.

74. In resolution 716 (XXVII) on 23 April 1959, the Economic and Social Council congratulated the Executive Director of UNICEF and the Directors-General of WHO, UNESCO and FAO on the close co-operation between the Fund and the specialized

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agencies. By resolution 1145 (XLI) of 2 August 1966, the Council commended the continued close co-operation between UNICEF and the specialized agencies in the United Nations family.

75. At its session in June 1967, the Executive Board of UNICEF welcomed the increased emphasis placed on efforts to co-ordinate UNICEF assistance with that of the rest of the United Nations family, not simply to avoid overlapping, but to develop a dynamic approach on the basis of a real team spirit.

76. UNICEF participates in the work of the Administrative Committee on Co-ordination (ACC) and its subsidiary bodies, including the Consultative Committee on Administrative Questions (CCAQ) and the Consultative Committee on Public Information (CCPI), and provides ACC with a break-down of its expenditures by type of activity.

VI. Reporting procedures

77. In resolution 57 (I), the General Assembly laid down that "the Executive Board shall make periodic reports of its operations at such times and in such form as the Economic and Social Council shall provide". The Assembly also made provision for reviewing the activities of the Fund on the basis of reports from the Economic and Social Council. When the General Assembly, by resolution 802 (VIII) of 6 October 1953 converted UNICEF from an emergency operation into a Fund without time-limits, it requested the Economic and Social Council "to continue to review periodically the work of UNICEF and to make recommendations to the General Assembly as appropriate". Accordingly, the Council annually reviews the report of the Executive Board, and includes a section on UNICEF in the chapter entitled "Social questions" of its own report to the General Assembly.

78. The General Assembly has considered the activities of UNICEF at its regular sessions and has adopted annual resolutions thereon. The financial reports and accounts of UNICEF, together with the reports of the Board of Auditors and the comments thereon by the Advisory Committee are also submitted to the General Assembly.

ANNEX II

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST

I. Establishment and functions

1. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was established by the General Assembly under resolution 302 (IV) of 8 December 1949 as a successor to the United Nations Relief for Palestine Refugees which had been set up under resolution 212 (III) of 19 November 1948 in response to the appeal made by the United Nations Mediator on Palestine in his progress report of 18 September 1948. Paragraph 7 of resolution 302 (IV) reads as follows:

"Establishes the United Nations Relief and Works Agency for Palestine Refugees in the Near East:

(a) To carry out in collaboration with local governments the direct relief and works programmes as recommended by the Economic Survey Mission;

(b) To consult with the interested Near Eastern Governments concerning measures to be taken by them preparatory to the time when international assistance for relief and works projects is no longer available."

2. Under operative paragraph 12 of the same resolution, the Secretary-General was instructed to transfer to UNRWA the assets and liabilities of the United Nations Relief for Palestine Refugees; these turned out to amount to a deficit of \$2.65 million.

3. The duration for which the Agency had been set up was not specified in the early years of its existence. Subsequently, however, in resolutions 720 (VIII), 818 (IX), 1456 (XIV), 1856 (XVII), 2002 (XIX), and 2052 (XX), the General Assembly extended the Agency's mandate for specific periods of time. The mandate now extends until 30 June 1969.

4. By resolutions 1315 (XIII) and 1456 (XIV), the General Assembly recalled that UNRWA is a subsidiary organ of the United Nations.

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5. The General Assembly originally envisaged the early reduction or even termination of direct relief to refugees, and increased emphasis on reintegration and rehabilitation, but in the light of the situation in the area, the Assembly, in resolution 1345 (XIII) of 12 December 1958, requested the Director of the Agency "without prejudice to paragraph 11 of General Assembly resolution 194 (III)", which dealt with the return of refugees to their homes or the payment of compensation to them, "to plan and carry out projects capable of supporting substantial numbers of refugees and, in particular, programmes relating to education and vocational training".
6. In keeping with the General Assembly directives, UNRWA has focused attention on providing refugees with relief (including food), health (including protective and curative services) and educational services (including vocational training).

II. Management of the Agency

7. UNRWA is headed by a Commissioner General (prior to 1962 the incumbent's title was Director) who ranks as an Assistant Secretary-General. The Commissioner-General is appointed by the Secretary-General of the United Nations in consultation with the Governments represented on the Agency's Advisory Commission (for which see para. 9 below).
8. Operative paragraph 9 of General Assembly resolution 302 (IV) provides that:
- "(a) The Director shall be the chief executive officer of the United Nations Relief and Works Agency for Palestine Refugees in the Near East responsible to the General Assembly for the operation of the programme;
 - (b) The Director shall select and appoint his staff in accordance with general arrangements made in agreement with the Secretary-General, including such of the staff rules and regulations of the United Nations as the Director and the Secretary-General shall agree are applicable, and to the extent possible utilize the facilities and assistance of the Secretary-General;
 - (c) The Director shall, in consultation with the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions, establish financial regulations for the United Nations Relief and Works agency for Palestine Refugees in the Near East."
9. The Advisory Commission of the Agency was established under General Assembly resolution 302 (IV), operative paragraph 8 of which reads as follows:

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"8. Establishes an Advisory Commission consisting of representatives of France, Turkey, the United Kingdom of Great Britain and Northern Ireland and the United States of America, with power to add not more than three additional members from contributing Governments, to advise and assist the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in the execution of the programme; the Director and the Advisory Commission shall consult with each Near Eastern Government concerned in the selection, planning and execution of projects".

By resolution 720 B (VIII) of 27 November 1953, the General Assembly authorized the Advisory Commission to increase its membership by not more than two additional members. The nine members of the Commission are Belgium, France, Jordan, Lebanon, Syria, Turkey, the United Arab Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

10. Under financial regulation 1.4, the Commissioner-General is required to consult the Agency's Advisory Commission on matters of major financial policy or major changes in financial policy. The Commissioner-General also submits to the Commission his draft annual report to the General Assembly for advice and comments, and consults the Commission on the Agency's budget estimates.

11. The staff of the Agency consists of a small nucleus of international officials (who numbered 113 at the end of 1967, including twenty-seven officials seconded and loaned from other United Nations organs) and some 11,500 locally-recruited staff, most of whom are refugees. Over the years, the Agency has applied a policy of the gradual replacement of international officials by locally-recruited staff. The staff regulations and rules applicable to international officials closely follow the corresponding provisions of the United Nations regulations and rules. The two main differences are that (a) the Agency, for obvious reasons, does not grant permanent appointments, and (b) the Agency's payroll system is based on net salaries excluding staff assessment except for pension fund purposes. As regards the former, UNRWA international staff serve on appointments which are fixed-term or indefinite (i.e., when no expiration date is specified). The staff rules applicable to area (locally-recruited) staff members differ in several respects from the rules applicable to international staff. They do not include the provision that salaries be fixed on the basis of "the best prevailing conditions of employment in the locality", and the Agency has used as a guide the conditions applicable to corresponding groups of government employees in the area.

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III. Finances

12. Under the terms of the relevant General Assembly resolutions, UNRWA is financed by voluntary contributions, both governmental and non-governmental. The General Assembly has established an Ad Hoc Committee for the announcement of voluntary contributions to UNRWA.

13. Only the Commissioner-General or those officers specifically designated by him may accept contributions to the Agency; such contributions may be in cash or in kind (Financial Regulations, article VI). The Commissioner-General may reject such offers as are not appropriate or as cannot be utilized for the purposes of the Agency.

14. The Agency's finances are administered under Financial Regulations established by the Commissioner-General in accordance with paragraph 9 (c) of General Assembly resolution 302 (IV) (see paragraph 8 above). The Regulations specify that in those cases not covered by them, the Commissioner-General shall issue such **rulings as he deems proper**, using the Financial Regulations and Rules of the United Nations as a guide, if appropriate (Regulation 1.2).

15. The Financial Regulations of UNRWA lay down that "a budget shall be prepared annually by the Commissioner-General for submission to the General Assembly, after consultation with the Agency's Advisory Commission" (Regulation 9.1). Expenditure under the budget is divided "into such main and sub-headings as will accurately reflect the operations and administration of the Agency (Regulation 9.2). Regulation 9.6 authorizes the Commissioner-General to "make transfers within or between main or sub-headings of the approved budget to the extent he may deem necessary, after consultation with the Advisory Commission on matters of major importance". It will be noted that the prior concurrence of the Commission is not required. The Financial Regulations make no provision for supplementary estimates. However, they authorize the Commissioner-General to "provide for a reasonable stockpiling of supplies and prepayment of essential services beyond the requirements of the current budget where this is essential for the uninterrupted operation of the Agency, provided such stockpiling or prepayment is within the amount and for the purposes reasonably expected to be included in the budget of the following year, subject to requirements... with regard to the availability of funds" (Regulation 9.9).

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16. In implementation of Regulation 9.1, the budget of UNRWA is divided into parts for "Relief services", "Health services" and "Education services". Common costs, though included as a separate "Part" for purposes of information, are apportioned among the three main types of service. These common costs include the general administration of the Agency at its headquarters, its five field offices and their subordinate area and camp operations, the maintenance of offices in New York, Geneva and Cairo, the operation of its public information services; the transport of persons and goods within UNRWA's area of operations; market research, purchasing, control and warehousing of supplies and equipment; personnel administration, translation, legal, financial, statistical, data processing and engineering services and the protection of the Agency's installations and property. In the 1969 budget estimates, these common costs account for 16.5 per cent of total estimated expenditure (as against 16.4 per cent in 1968).

17. Financial Regulation 9.3 states that "the budget shall also present the working capital requirements of the Agency, to provide for necessary investment in inventories on hand or on order and for meeting current operational requirements in the event of delays in the receipt of income". Under Regulation 9.4, "in a separate section of the budget shall be shown the proposed plan of financing the budget, showing estimated expenditure, amount expected to come from or be added to the working capital, expected miscellaneous income and contributions required".

18. As can be seen from Regulation 9.4, the Agency's "working capital" is in effect an operating reserve into which the Agency can pay any excess of income over expenditure in a given year, and which is used to finance shortfalls in years when income is insufficient. The gradual erosion of this reserve has been a matter of serious concern to the Commissioner-General and the General Assembly, which in its annual resolutions on UNRWA, has repeatedly drawn attention to the Agency's precarious financial situation, and appealed for increased contributions. Indeed, in resolutions 916 (X) and 1018 (XI), the Assembly requested the Agency to pursue its programme "bearing in mind the limitations imposed upon it by the extent of the contributions for the fiscal year". General Assembly resolution 2341 (XXII) called:

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"upon all Governments as a matter of urgency to make the most generous efforts possible to meet the anticipated needs of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, particularly in the light of the budgetary deficit projected in the Commissioner-General's report, and, therefore, urges non-contributing Governments to contribute and contributing Governments to consider increasing their contributions".

The Agency's reserve, which (largely because of generous contributions by Governments in the year ended 30 June 1953) reached a high point of \$48.6 million, shrank to \$16.7 million on 31 December 1967. The last figure, however, included an amount of \$4.1 million received as contributions for the emergency programme initiated after the June 1967 hostilities, which are not expected to be repeated in the near future. The reduction approximately equals the average total annual contribution by Governments over the nine-year period 1958-1966. The Agency considers that it should have a minimum of \$16 million at the beginning of the fiscal year in order to finance its "pipeline" of supplies and to provide operating funds during the first half of the year, when the rate of payment of contributions normally lags far behind the Agency's rate of expenditure. The drop in reserves compelled the Commissioner-General in 1967 to seek - and the Advisory Committee to concur in - a liberalization of Financial Regulation 9.5 which, as now amended, gives the Commissioner wider latitude in treating governmental pledges announced, but not yet paid, as funds to meet future, long-term commitments and thus release cash which previously had been earmarked to meet such commitments.^{a/}

19. The Financial Regulations of the Agency contain provisions designed to ensure effective financial administration and the exercise of economy; these provisions cover procedures for the awarding of contracts, control of cash, and control of supplies, equipment and construction. Furthermore, provision is made for "the internal audit of the Agency's operations" (Financial Regulation 12.1).

20. The accounts of the Agency are audited annually by the United Nations Board of Auditors in the manner laid down in the United Nations Financial Regulations. Financial Regulation 12.2 of UNRWA stipulates, inter alia, that "the Board of Auditors shall make such report to the General Assembly on the accounts and operations of the Agency as it deems appropriate". The report of

a/ Official Records of the General Assembly, Twenty-second Session, Supplement No. 13 (A/6713), paras. 6, 144.

the Board of Auditors and supporting material are reviewed by the Advisory Committee, which reports thereon to the General Assembly.

21. In discharging the task entrusted to it by the General Assembly, UNRWA has taken steps to ensure that the maximum amount of funds reaches the refugees most in need of international assistance; these steps have included control of the relief rolls, controls over handling and warehousing losses, and negotiations with local Governments who have sought to levy various charges from which UNRWA, as a subsidiary organ of the United Nations, should be exempt.

22. The General Assembly, in resolution 2052 (XX) of 15 December 1965, indicated that rectification of the relief rolls is "a problem which has been and continues to be of major concern to the General Assembly ...". In that resolution, and again in resolutions 2154 (XXI) and 2341 (XXII), the Assembly directed the Commissioner-General to continue his efforts in that direction.

23. The problem of handling and warehousing losses of materials has been studied by the Board of Auditors. The amount of such losses has declined to a level which was not considered unreasonable by the Board of Auditors.^{b/}

24. The precariousness of the Agency's financial position constrained the Commissioner-General to appeal to the General Assembly at its twenty-second session to place the Agency on a sound financial basis, both with respect to current funds to cover its budget and with respect to working capital adequate to meet its requirements. The Commissioner-General expressed the view that if the Agency is to continue to provide the services that it is expected to provide, a more rational and a more dependable system of financing its operations is urgently needed.^{c/}

25. The Agency's budget estimates for 1969, as submitted by the Commissioner-General to the General Assembly at its twenty-third session, amounted to approximately \$42,469,000, as against estimated expenditure of \$44,239,000 in 1968, and actual expenditure of \$40,540,000 in 1967. The estimated costs of UNRWA's programme for 1969 show a decrease of some \$1.7 million compared to 1968. The 1968 figure, however, includes an estimated amount of approximately \$3,355,000 for non-recurring items, whereas the 1969 estimates include only \$549,000 for such a provision. For recurring costs, the 1969 estimates exceed those of 1968 by approximately \$1 million.

b/ A/6673, para. 19.

c/ Official Records of the General Assembly, Twenty-second Session, Supplement No. 13 (A/6713), paras. 65, 153.

IV. Reporting

26. In operative paragraph 21 of resolution 302 (IV), which established the Agency, the General Assembly requested the Director

"to submit to the General Assembly of the United Nations an annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, including an audit of funds, and invites him to submit to the Secretary-General such other reports as the United Nations Relief and Works Agency for Palestine Refugees in the Near East may wish to bring to the attention of Members of the United Nations, or its appropriate organs".

In subsequent resolutions, the General Assembly on several occasions requested the Commissioner-General to continue to submit such reports and the annual budgets of the Agency.

27. Since the fifth session, the General Assembly has included the Agency's annual reports in its agenda, and has adopted resolutions thereon.

V. Co-ordination with other organizations in the United Nations family

28. In resolution 302 (IV), (paragraph 18), which established UNRWA, the General Assembly urged "the United Nations International Children's Emergency Fund, the International Refugee Organization, the World Health Organization, the United Nations Educational, Scientific and Cultural Organization, the Food and Agriculture Organization and other appropriate agencies and private groups and organizations, in consultation with the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, to furnish assistance within the framework of the programme." The Assembly also requested the Director "to appoint a representative to attend the meeting of the Technical Assistance Board as observer so that the technical assistance activities of the United Nations Relief and Works Agency for Palestine Refugees in the Near East may be co-ordinated with the technical assistance programmes of the United Nations and specialized agencies".

29. On several occasions since then, the General Assembly thanked the specialized agencies for their contribution to the work of UNRWA.

30. The World Health Organization (WHO) co-operates in UNRWA's health services and provides the Agency with technical guidance. The Director of UNRWA's health programme is a staff member of the World Health Organization which pays his

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salary and the salaries of three other staff members. As for educational services, these have been operated and developed by UNRWA and UNESCO in association since 1950. UNESCO is responsible for the technical direction and provides twenty-four staff members, including the Director of the Agency's educational programme. In 1966, UNRWA appealed to the World Food Programme (WFP) to help it maintain its supplementary feeding programme, but WFP could not accede to the request under the terms of its own "Basic texts";^{d/} WFP joined, however, in the emergency assistance provided as a consequence of hostilities in June 1967. UNICEF also played a valuable role in the emergency assistance.

^{d/} For "Basic texts", see World Food Programme Basic Documents, document P/WPF:BD 1 (joint United Nations/FAO publication, 1966), pp. 1-15.

ANNEX III

OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

1. Establishment, terms of reference and operating methods

1. The Office of the United Nations High Commissioner for Refugees was established on 1 January 1951. The decision to do so was taken by the General Assembly in resolution 319 (IV) of 3 December 1949. The Statute of the Office was adopted under General Assembly resolution 428 (V) of 14 December 1950.

2. In deciding to establish the Office of the High Commissioner, the General Assembly considered resolution 319 (IV) that "the problem of refugees is international in scope and nature and that its final solution can only be provided by the voluntary repatriation of the refugees or their assimilation within new national communities"; in the same resolution, the General Assembly also recognized "the responsibility of the United Nations for the international protection of refugees". The decision continued the policy of assistance to "genuine refugees" and displaced persons which the General Assembly had initiated at its first session and which had resulted in the establishment of the International Refugee Organization (IRO) by resolution 62 (I) of 15 December 1946.^{a/}

3. To qualify for international protection through the Office of the High Commissioner, refugees must fulfil certain conditions, which are defined as follows in article 6 and 7 of the Statute:

"6. The Competence of the High Commissioner shall extend to:

- A. (i) Any person who has been considered a refugee under the Arrangements of 12 May 1926 and 30 June 1928 or under the Conventions of 28 October 1933 and 10 February 1938, the Protocol of 14 September 1939 or the Constitution of the International Refugee Organization;

^{a/} IRO discontinued operations in February 1952.

- (ii) Any person, who, as a result of events occurring before 1 January 1951 and owing to well-founded fear of being persecuted for reasons of race, religion, nationality or political opinion, is outside the country of his nationality and is unable or, owing to such fear or for reasons other than personal convenience, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence, is unable or, owing to such fear or for reasons other than personal convenience, is unwilling to return to it.

Decisions as to eligibility taken by the International Refugee Organization during the period of its activities shall not prevent the status of refugee being accorded to persons who fulfil the conditions of the present paragraph;

The competence of the High Commissioner shall cease to apply to any person defined in section A above if:

- (a) He has voluntarily re-availed himself of the protection of the country of his nationality; or
- (b) Having lost his nationality, he has voluntarily reacquired it; or
- (c) He has acquired a new nationality, and enjoys the protection of the country of his new nationality; or
- (d) He has voluntarily re-established himself in the country which he left or outside which he remained owing to fear of persecution; or
- (e) He can no longer, because the circumstances in connexion with which he has been recognized as a refugee have ceased to exist, claim grounds other than those of personal convenience for continuing to refuse to avail himself of the protection of the country of his nationality. Reasons of a purely economic character may not be invoked; or
- (f) Being a person who has no nationality, he can no longer, because the circumstances in connexion with which he has been recognized as a refugee have ceased to exist and he is able to return to the country of his former habitual residence, claim grounds other than those of personal convenience for continuing to refuse to return to that country;

B. Any other person who is outside the country of his nationality or, if he has no nationality, the country of his former habitual residence, because he has or had well-founded fear of persecution by reason of his race, religion, nationality or political opinion and is unable or, because of such fear, is unwilling to avail himself of the protection of the Government

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of the country of his nationality, or, if he has no nationality, to return to the country of his former habitual residence.

7. Provided that the competence of the High Commissioner as defined in paragraph 6 above shall not extend to a person:

(a) Who is a national of more than one country unless he satisfies the provisions of the preceding paragraph in relation to each of the countries of which he is a national; or

(b) Who is recognized by the competent authorities of the country in which he has taken residence as having the rights and obligations which are attached to the possession of the nationality of that country; or

(c) Who continues to receive from other organs or agencies of the United Nations protection or assistance; or

(d) In respect of whom there are serious reasons for considering that he has committed a crime covered by the provisions of treaties of extradition or a crime mentioned in article VI of the London Charter of the International Military Tribunal or by the provisions of article 14, paragraph 2, of the Universal Declaration of Human Rights."

4. When the Office of the High Commissioner was originally established the bulk of the refugees within its competence, including those displaced by the First World War and those uprooted by the Second World War and its aftermath, were to be found in Europe. While the size of that group has declined considerably since then, with a consequential contraction of the European operations of the Office of the High Commissioner, developments in Asia and Africa have led to the exodus of large numbers of people from their homes, making it necessary for the High Commissioner to undertake new operations.

5. This development has been recognized by the General Assembly, which adopted a number of resolutions requesting the UNHCR to deal with the new groups of refugees concerned. Some of those resolutions concern action in favour of specific groups, such as the refugees from Algeria in Morocco and Tunisia (1286 (XIII), 1389 (XIV), 1500 (XV) and 1672 (XVI)), the Angolan refugees in the Congo (1671 (XVI)) and the Chinese refugees in Hong Kong (1167 (XII) and 1784 (XVII)). The first resolution on assistance to Chinese refugees in Hong Kong (1167 (XII)), which authorized the United Nations High Commissioner for Refugees to use his good offices to encourage arrangements for contributions for assistance to these

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refugees, became the starting point of several more general resolutions referred to as the "good offices" resolutions, which culminated in resolution 1673 (XVI) in which the General Assembly requested the High Commissioner "to pursue his activities on behalf of the refugees within his mandate or those for whom he extends his good offices".

6. The Statute of the Office of the High Commissioner lays down that

"the United Nations High Commissioner for Refugees, acting under the authority of the General Assembly, shall assume the function of providing international protection, under the auspices of the United Nations, to refugees who fall within the scope of the present Statute and of seeking permanent solutions for the problem of refugees by assisting governments and, subject to the approval of the governments concerned, private organizations to facilitate the voluntary repatriation of such refugees, or their assimilation within new national communities" (article 1).

Under article 2,

"the work of the High Commissioner shall be of an entirely non-political character; it shall be humanitarian and social and shall relate, as a rule, to groups and categories of refugees".

7. The methods of work, as defined in article 8 of the Statute, are:

"(a) Promoting the conclusion and ratification of international conventions for the protection of refugees, supervising their application and proposing amendments thereto;

(b) Promoting through special agreements with governments the execution of any measures calculated to improve the situation of refugees and to reduce the number requiring protection;

(c) Assisting governmental and private efforts to promote voluntary repatriation or assimilation within new national communities;

(d) Promoting the admission of refugees, not excluding those in the most destitute categories, to the territories of States;

(e) Endeavouring to obtain permission for refugees to transfer their assets and especially those necessary for their resettlement;

(f) Obtaining from governments information concerning the number and conditions of refugees in their territories and the laws and regulations concerning them;

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(g) Keeping in close touch with the governments and inter-governmental organizations concerned;

(h) Establishing contact in such manner as he may think best with private organizations dealing with refugee questions;

(i) Facilitating the co-ordination of the efforts of private organizations concerned with the welfare of refugees".

8. It will be seen from the above that the main task of the High Commissioner is to act as an instrument of the international community in securing international protection for refugees, and as a planner, co-ordinator and as a catalyst for stimulating large-scale national and international aid. At the same time, he has been called upon to assume direct responsibility for operational expenses designed to meet emergency needs and to bring about "permanent solutions". In this connexion Financial Rule 10.1 stipulates that:

"the carrying out of projects will normally be entrusted to governmental or voluntary agencies, the High Commissioner making available to such agencies monies or supplies for the execution of the projects in accordance with agreements to be made by him with the agencies;"

Financial Rule 10.3 indicates that such agreements must include provision for audit, inspection and examination of the implementation of the project by the High Commissioner.

9. The Office of the UNHCR was originally established for a three-year period. It has since been continued for successive five-year terms by General Assembly resolutions 727 (VIII) of 23 October 1953, 1165 (XII) of 26 November 1957, 1783 (XVII) of 7 December 1962, and 2294 (XXII) of 11 December 1967. At the twenty-second session, the Assembly decided to review the arrangements not later than its twenty-seventh session, with a view to determining whether the Office should be continued beyond 31 December 1973.

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II. Organization of the Office of the UNHCR

A. The Executive Committee of the High Commissioner's Programme and its predecessors

10. Under the Statute, management of the programme was vested in the High Commissioner, subject to the provisions of article 3 of the Statute that "the High Commissioner shall follow policy directives given him by the General Assembly or the Economic and Social Council". In article 4, however, the Assembly made provision that "the Economic and Social Council may decide, after hearing the views of the High Commissioner on the subject, to establish an advisory committee on refugees, which shall consist of representatives of States Members and States non-members of the United Nations, to be selected by the Council on the basis of their demonstrated interest in and devotion to the solution of the refugee problem". The Economic and Social Council so decided at its thirteenth session by resolution 393 B (XIII) of 10 September 1951. The terms of reference of the fifteen-member "Advisory Committee on Refugees" were not defined except that it was "to advise the High Commissioner at his request in the exercise of his functions".

11. Following discussion of the annual report of the High Commissioner at its eighteenth session, however, the Economic and Social Council adopted resolution 549 (XVIII) of 23 July 1954 in which it looked to the establishment of an "Executive Committee to give directives to the High Commissioner on the implementation of his programme". The General Assembly, in resolution 832 (IX) of 21 October 1954, left it to the Economic and Social Council to submit proposals either to establish an Executive Committee or to revise the terms of reference of the Advisory Committee to enable it to carry out the same duties. In the same resolution, the Assembly authorized the establishment of a Refugee Fund (UNREF) "to be devoted principally to the promotion of permanent solutions, and also to permit emergency assistance to the most needy cases".

12. In response to that request, the Economic and Social Council, by resolution 565 (XIX) of 31 March 1955, decided to reconstitute the Advisory Committee as an "Executive Committee, to be known as the United Nations Refugee Fund (UNREF) Executive Committee". The membership was enlarged first to twenty and later, by Economic and Social Council resolution 639 (XXIII) of 24 April 1957, to twenty-one.

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13. The UNREF Executive Committee was invested with both executive and advisory functions, as follows:

"A. Executive functions

The Executive Committee, during the period of the Fund's existence, in accordance with such principles as may be laid down by the General Assembly, shall, with respect to the programme for permanent solutions and emergency assistance:

- (a) Give directives to the High Commissioner in carrying out this programme;
- (b) Determine the general policies under which the operations of the Fund shall be planned, developed and administered;
- (c) Determine an annual financial target for the Fund and an annual operational plan covering:
 - (i) The respective amounts to be allocated for permanent solutions and emergency aid;
 - (ii) The amount to be allocated for each country;
- (d) Consider and act upon the High Commissioner's detailed proposals, including plans for adequate financial or other contributions from within the countries of residence;
- (e) Exercise the necessary controls in the use of the funds made available to the High Commissioner for the purposes of the Fund;
- (f) Adopt administrative regulations for the Fund, including provisions to ensure that the Committee shall have before it the financial implications for each project in its entirety before considering and acting upon it;
- (g) Consider the annual financial report of the High Commissioner, and review the expenditure incurred under the Fund, including administrative expenditures charged to the Fund;
- (h) Ensure that all necessary steps are taken to promote close co-operation of the administration of the Fund with governmental, inter-governmental and non-governmental organizations that are directly concerned with the problems of refugees;
- (i) Ensure that all necessary steps are taken to provide appropriate continuing supervision of all approved projects.

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B. Advisory functions

The Executive Committee shall advise the High Commissioner for refugees, at his request, in the exercise of his functions under his Statute." b/

14. As will be seen from paragraph 12 above, the Executive Committee set up under the terms of Economic and Social Council resolution 565 (XIX) was concerned specifically with UNREF. When the General Assembly decided at its twelfth session (resolution 1166 (XII)) to discontinue the operations of the Refugee Fund, it requested the Council to establish "an Executive Committee of the High Commissioner's Programme to consist of representatives of from twenty to twenty-five States Members of the United Nations or members of any of the specialized agencies, to be elected by the Council on the widest possible geographical basis from those States with a demonstrated interest in, and devotion to, the solution of the refugee problem" which would replace the UNREF Executive Committee.

15. The new Executive Committee took office on 1 January 1959 with a membership of twenty-five. The size of the Committee has since been increased first to thirty (General Assembly resolution 1958 (XVIII) of 12 December 1963), and then to thirty-one (Economic and Social Council resolution 1288 (XLIII) of 18 December 1967). On each occasion, the membership has been enlarged through the addition of new Governments to those already represented; no provision exists for the withdrawal of members of the Committee through the expiry of their term of service.

16. The terms of reference of the Executive Committee, as spelled out in General Assembly resolution 1166 (XII) include:

"(a)

(b) To advise the High Commissioner, at his request, in the exercise of his functions under the Statute of his Office;

(c) To advise the High Commissioner as to whether it is appropriate for international assistance to be provided through his Office in order to help solve specific refugee problems remaining unsolved after 31 December 1958, or arising after that date;

(d) To authorize the High Commissioner to make appeals for funds to enable him to solve the refugee problems referred to in the preceding sub-paragraph;

b/ Economic and Social Council resolution 565 (XIX) of 31 March 1955.

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(e) To approve projects for assistance to refugees coming within the scope of that sub-paragraph;

(f) To give directives to the High Commissioner for the use of the emergency fund to be established (see para. 43 below).

17. These terms of reference were amplified by the Economic and Social Council in resolution 672 (XXV) of 30 April 1958. The Council decided that the Executive Committee would:

"(a) Determine the general policies under which the High Commissioner shall plan, develop and administer the programmes and projects required to help solve the problems referred to in [General Assembly] resolution 1166 (XII);

(b) Review at least annually the use of funds made available to the High Commissioner and the programmes and projects being proposed or carried out by his Office;

(c) Have authority to make changes in, and give final approval to, the use of funds and the programmes and projects referred to in sub-paragraphs (a) and (b) of the present paragraph."

18. Under the terms of Economic and Social Council resolution 672 (XXV), the Executive Committee is authorized to elect its own officers, to establish its own rules of procedure and to set up such standing sub-committee or sub-committees as may be required for the execution of its functions.

19. As of 1968, the Executive Committee holds one session a year, at which, inter alia,

(a) It considers the report on operations in the preceding year and reviews the financial statements for that year, together with the report thereon of the Board of Auditors and the comments of the Advisory Committee on Administrative and Budgetary Questions;

(b) It considers reports on the status of contributions and the over-all financial situation for the current and the following year;

(c) It approves the financial target for the annual Programme for the ensuing year, together with the specific allocations and country allocations, which add up to the target;

(d) It considers the budget estimates for the following year (i.e., the relevant Section of the Budget Estimates of the United Nations, together with the Advisory Committee's comments and recommendations).

B. The High Commissioner

20. The High Commissioner is elected by the General Assembly on the nomination of the Secretary-General (article 13 of the Statute) for a fixed term of office. In the performance of his functions, he follows "policy directives given him by the General Assembly or the Economic and Social Council" (article 3 of the Statute) and by the Executive Committee of the Programme.

21. Under the provisions of article 10 of the Statute, he administers the funds, public and private, which he receives for assistance to refugees, and may distribute such funds among the private and, as appropriate, public agencies, which he deems best qualified to administer such assistance.

22. The High Commissioner's functions also include:

(a) The preparation of the budget estimates of his Office, to be included, after review by the United Nations Controller, in the United Nations Budget Estimates;

(b) The promulgation of financial rules for the voluntary funds administered by him, after consultation with the Executive Committee of his Programme and review by the Advisory Committee on Administrative and Budgetary Questions;

(c) The appointment, promotion, transfer and separation of the staff of his Office;

(d) The submission to the Executive Committee, for its approval, of annual and, as necessary, of supplementary or revised programmes and projects, and estimates of the costs thereof (Financial Rules 7.1 and 7.2);

(e) The submission of reports and annual accounts.

23. The Executive Committee has authorized the High Commissioner to deal with emergency problems which may arise between sessions of the Executive Committee; and to adjust approved allocations by transfers between projects or parts of projects, subject to their being reported to the Executive Committee. He may make payments out of his Emergency Fund in accordance with Financial Rule 7.4.

C. Secretariat of the Office of the High Commissioner for Refugees

24. Article 14 of the Statute provides that "the High Commissioner shall appoint, for the same term [as his own], a Deputy High Commissioner of a nationality other than his own".

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25. The staff of the Office are appointed by the High Commissioner "within the limits of the budgetary appropriations provided" and are responsible to him in the exercise of their functions. The Statute (article 15 (b)) stipulates that the staff are to be chosen "from persons devoted to the purposes of the Office of the High Commissioner". Their conditions of employment are governed by the United Nations Staff Regulations and Rules, except that the validity of their contracts is limited to the Office of the UNHCR (rather than to the Secretariat of the United Nations as a whole). In view of the time limitations inherent in General Assembly decisions on the mandate of the Office of the UNHCR, staff of the Office are granted fixed-term or "indefinite" appointments (i.e., appointments which have no specific expiration date).

26. The staff are divided between the headquarters of the Office - which, in accordance with article 19 of the Statute, are situated at Geneva - and field offices. The distribution of the staff as between headquarters and field offices in 1959, 1965 and 1968 is given in the following table:^{c/}

	<u>1959</u>	<u>1965</u>	<u>1968</u>
Headquarters			
Professional and higher	43	47	53
General Service	69	63	75
Sub-total	<u>112</u>	<u>110</u>	<u>128</u>
Field offices			
Professional and higher	47	50	49
General Service	85	111	109
Sub-total	<u>132</u>	<u>161</u>	<u>158</u>
Total	244	271 ^{a/}	286

^{a/} Including thirty-nine posts charged to voluntary funds.

^{c/} See paragraph 36 below concerning the first year of the consolidated manning table.

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27. While the recent shift in the centre of gravity of the refugee problem from Europe to Africa has been accompanied by an expansion in the numbers of staff in Africa, it will be seen from the foregoing that the total Professional establishment in the field has remained virtually unchanged over the past decade, owing to a contraction in the size of the field establishment in Europe. The increase at headquarters during the corresponding period has been in the range of 23 per cent (from forty-three to fifty-three, resulting, inter alia, from the concentration in Geneva of some of the functions previously assumed by the larger European field offices. More than half the Professional and higher posts are now located at Headquarters, while the majority of General Service staff remains located in the field offices.

28. The distribution of established posts in field offices, by geographical area, has evolved as follows since 1959:

	<u>Number of posts</u>		
	<u>1959</u>	<u>1965</u>	<u>1968</u>
Africa	-	25	59
Asia and Far East (including Australia) . .	-	2	10
Europe	121	80	67
Latin America	2	7	3
Middle East	3	6	7
North America	6	7	7
Total	<u>132</u>	<u>127^{a/}</u>	<u>158</u>

a/ Thirty-four other posts (eleven in Africa, six in Asia and the Far East, sixteen in Europe and one in the Middle East) were charged directly to voluntary funds, making a total of 161 posts.

29. The appointment of representatives in the field is governed by article 16 of the Statute which reads as follows: "The High Commissioner shall consult the Governments of the countries of residence of refugees as to the need for appointing representatives therein. In any country recognizing such need, there may be appointed a representative approved by the Government of that country. Subject to the foregoing, the same representative may serve in more than one country". In 1959, the Office of the High Commissioner had twenty branch offices

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and sub-offices; by 1965 their number rose to thirty-two in twenty-five countries. In 1968, the High Commissioner has thirty-three offices in thirty countries.

30. Apart from branch offices, the UNHCR also has correspondents in several countries, who perform liaison functions between the national authorities concerned and UNHCR headquarters. Some of these correspondents are unpaid, while others receive honoraria.

31. The headquarters establishment consists of the Office of the High Commissioner and his deputy, the Department of Operations, and three functional divisions: the Legal Division, the Public Affairs Division, and the Administration and Finance Division.

32. An administrative review of the Office of the High Commissioner was carried out by the United Nations Administrative Management Service in 1964-1965. The Advisory Committee's comments on that review were transmitted to the General Assembly at its twentieth session.^{d/} The points of detail raised by the Committee have since received the attention of the Secretary-General and the High Commissioner.

III. Finances

33. The Office of the High Commissioner derives its financial resources from both the regular budget of the United Nations and voluntary contributions.

A. Regular budget of the United Nations

34. The legislative authority for including certain categories of expenses of the Office in the United Nations budget is provided by articles 18 and 20 of the Statute, which read as follows:

"18. The Secretary-General shall provide the High Commissioner with all necessary facilities within budgetary limitations.

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20. The Office of the High Commissioner shall be financed under the budget of the United Nations. Unless the General Assembly subsequently decides otherwise, no expenditure, other than administrative expenditures relating to the functioning of the Office of the High Commissioner,

d/ Official Records of the General Assembly, Twentieth Session, Annexes, agenda item 76, document A/6138.

shall be borne on the budget of the United Nations, and all other expenditures relating to the activities of the High Commissioner shall be financed by voluntary contributions."

35. The question of what constituted "administrative expenditures relating to the functioning of the Office of the High Commissioner" was discussed at considerable length over the years. In particular, the view was held that administrative expenses relating to voluntary funds were chargeable directly to the funds in question; as a result, prior to 1959, the staff of the Office of the UNHCR were placed in different manning tables, depending on the fund to which their salaries were charged.

36. To remedy the defects of such a system, the Advisory Committee, in its report on the United Nations Budget Estimates for 1958^{e/} recommended that the entire staff of the Office of the High Commissioner should be consolidated in a single manning table in the appropriate section of the United Nations regular budget, and that a grant-in-aid from the voluntary funds should be payable to the United Nations to cover any staff costs not covered by the appropriation under the budget section. The new system was introduced in 1959.

37. For a number of years the grant-in-aid was calculated on an ad hoc basis. Furthermore, the arrangement did not lead to the desired consolidation of the manning table. By 1965, the number of posts charged directly to voluntary funds rose to thirty-nine (see paragraph 26 above). In its 1965 report on the Office of the High Commissioner, the United Nations Administrative Management Service reviewed the difficulties encountered in applying the grant-in-aid arrangement and outlined possible solutions. The Advisory Committee, in its twentieth report to the General Assembly at its twentieth session^{f/} recommended that the amount of the grant-in-aid should be a percentage (10 per cent) of the actual commitments under the current programme of the UNHCR excluding administrative expenditure; the recommendation was adopted by the Assembly.^{g/}

e/ Ibid., Twelfth Session, Supplement No. 7 (A/3624), paras. 141 and 142.

f/ Ibid., Twentieth Session, Annexes, agenda item 76, document A/6138, para. 38.

g/ Ibid., document A/6223, para. 60.

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As further defined by the General Assembly at its twenty-second session, the amount of the grant-in-aid for a given year is calculated on the basis of the commitments made under the programme of the preceding year. The formula also includes a provision for additional administrative costs arising from new refugee problems requiring supplementary staff and other expenditure which cannot be financed from existing resources.^{h/} Such costs relating to the year in which the situation has arisen and to the whole of the following year are included, as a specified item, in the relevant operational plans within the annual programme submitted by the High Commissioner to the Executive Committee.

38. The costs charged to the United Nations regular budget show separately the amounts relating to salaries and wages, common staff costs, travel of staff, public information activities, hospitality, permanent equipment, general expenses, and contractual printing. The estimates are prepared by the High Commissioner. After review by the United Nations Controller, they are included as a separate section in the United Nations budget estimates. As such, they are considered in the usual manner by the Advisory Committee and the Fifth Committee of the General Assembly.

B. Voluntary funds

39. Under the terms of rule 3.1 of the Financial Rules for Voluntary Funds administered by the High Commissioner he "may accept contributions offered in cash, kind or service, including contributions from sources other than Governments"; he may also reject any offers which he does not consider appropriate or which cannot be utilized for the purposes of carrying out his functions (article 10 of the Statute).

40. Article 10 of the Statute does not allow the High Commissioner to appeal to Governments for funds or make a general appeal without the prior approval of the General Assembly. By resolution 1166 (XII) of 26 November 1957, the General Assembly vested in the Executive Committee of the High Commissioner's Programme the authority to approve appeals by the High Commissioner. Over the years several such appeals have been issued both to deal with specific emergency situations and

^{h/} Ibid., Twenty-second Session, Supplement No. 7 (A/6706), paras. 347-350.

needs and to provide funds for "permanent solutions", which include voluntary repatriation, resettlement in a country of final and permanent asylum, or integration in the country of residence.

41. Governments are provided with an opportunity to announce their contributions at the annual meeting of the Ad Hoc Committee of the General Assembly for the announcement of voluntary contributions to the Programme of the United Nations High Commissioner for Refugees. In 1967, a total of fifty-four Governments contributed to the Programme. Their contributions covered 71 per cent of the commitments of \$4.4 million made under the Programme for that year; the balance of 29 per cent was financed by private donations and other income. In 1968, so far, sixty-three Governments have paid or pledged contributions totalling 74 per cent of the target of \$4.6 million approved for this year by the Executive Committee.

42. The High Commissioner for Refugees administers a number of voluntary funds. Approximately two-thirds of the yearly expenditure is now accounted for by the Annual Programme, which was first established in 1963, and which covers the allocations approved by the Executive Committee at its annual sessions. The Programme is financed essentially from government contributions.

43. The Emergency Fund, which has an authorized ceiling of \$500,000, was set up under paragraph 7 of General Assembly resolution 1166 (XII) of 26 November 1957 "to be utilized under general directives of the Executive Committee of the High Commissioner's Programme". It is maintained "from the repayments of the principal and interest of loans made by the United Nations Refugee Fund and from voluntary contributions made for this purpose".

44. The Funds "set aside", which have at present a ceiling of \$1.5 million, represent an operating reserve for the Programme. They are fed by balances, if any, of income from the repayment of loans remaining after the Emergency Fund has been replenished (see preceding paragraph), and by adjustments on prior years' projects. The funds "set aside" serve mainly to guarantee temporary shortfalls of contributions to the annual programme.

45. The High Commissioner also administers a number of special trust funds which derive their income from both governmental contributions and private donations made for specific purposes outside the annual programme. They are disbursed in accordance with agreements between the donors and the High Commissioner.

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46. The Major Air programmes were approved by the Executive Committee in the years 1959-1964 to find permanent solutions to the "old" European refugees (i.e., refugees recognized before 1 January 1961). They are fast approaching completion. A major component of these programmes was the provision of long-term (five to fifty years) loans made to or on behalf of refugees. Out of a total of approximately \$15 million thus lent to refugees, a total of \$11.3 million net was outstanding as at 31 December 1967. As has been indicated in paragraphs 43 and 44 above, amounts received by way of repayment are credited to the Emergency Fund and to the funds "set aside".

47. Lastly, the High Commissioner administers the Indemnification Fund, 1960, and the Supplementary Indemnification Fund, 1966, which are comprised of funds placed at his disposal by the Government of the Federal Republic of Germany for certain categories of victims of the nationalist-socialist régime in Germany and their descendants. The administrative expenses relating to this operation are charged directly to the Fund.

48. The administration of the voluntary funds is subject to the following financial rules:

"8.1. Subject to the approval of the Executive Committee and in accordance with Article VII of these Rules, the High Commissioner may incur obligations for the purposes of implementing projects to the extent that monies are available in the appropriate programme or Special Trust Fund. Notwithstanding the foregoing, the High Commissioner may enter into obligations up to the total amount of contributions not yet received in respect of which the contributing Governments have made unconditional pledges, plus one half of conditional governmental pledges, subject however to (a) that at the end of each year all pending project commitments of UNHCR must be covered by programme funds in hand and firm and unconditional governmental pledges, and (b) the condition that the total amount of monies available in the appropriate programme or Special Trust Fund shall always be sufficient to meet the total payments due at any given time.

"8.2. For the purpose of this rule, conditional governmental pledges are defined as those pledges which are subject to completion of the necessary legislative and administrative processes of contributing Governments."

C. Controls

49. Article 21 of the Statute provides that "the administration of the Office of the High Commissioner shall be subject to the Financial Regulations of the

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United Nations and to the financial rules promulgated thereunder by the Secretary-General".

50. Furthermore, pursuant to article 22, "transactions relating to the High Commissioner's funds shall be subject to audit by the United Nations Board of Auditors, provided that the Board may accept audited accounts from the agencies to which funds have been allocated. Administrative arrangements for the custody of such funds and their allocation shall be agreed between the High Commissioner and the Secretary-General in accordance with the Financial Regulations of the United Nations and rules promulgated thereunder by the Secretary-General".

51. By resolution 1166 (XII) of 26 November 1957, the General Assembly decided that appropriate financial rules would be established for the use of all funds received by the High Commissioner under the terms of the resolution. Such rules have been duly promulgated after review by the Advisory Committee on Administrative and Budgetary Questions; they provide, inter alia, that "where no specific provision is made in these rules, the Financial Regulations of the United Nations shall apply" (rule 9.4).

52. The administration of the appropriation for the section of the regular budget of the United Nations that relates to the Office of the UNHCR is carried out by the High Commissioner with the assistance of the Geneva Office of the United Nations. The financial administration of the voluntary funds is carried out by the Office of the UNHCR under the directives of the Executive Committee. In particular, the High Commissioner is authorized to write off losses of cash, property or the book value of accounts receivable, including conversion of loans into grants without restriction as to amount, subject to the submission to the auditors, together with the annual accounts, of a statement of all amounts written off (rule 9.2); he may also effect ex gratia payments (rule 9.3).

IV. Co-ordination

53. The basis for co-ordination between the activities of the Office of the UNHCR and the United Nations and the specialized agencies is provided by articles 17 and 12 of the Statute, which read as follows:

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"17. The High Commissioner and the Secretary-General shall make appropriate arrangements for liaison and consultation on matters of mutual interest."

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"12. The High Commissioner may invite the co-operation of the various specialized agencies."

54. By resolution 638 (VII) of 20 December 1952, the General Assembly invited the High Commissioner to consult with IBRD on the provision of international funds to help with the integration of refugees in the countries of their residence. Again, in resolution 1783 (XVII) of 7 December 1962, the General Assembly invited the specialized agencies to lend their support to the High Commissioner's Programme; the Assembly reiterated that appeal in its resolution 2197 (XXI) of 16 December 1966. The Executive Committee has repeatedly indicated that it attaches importance to close co-operation between the UNHCR and other members of the United Nations family so that the settlement of refugees can be fitted into the **framework** of development aid to their countries of residence; this is particularly applicable to Africa. At its nineteenth session in October 1968, the Executive Committee recommended "that Governments of Member States of the Executive Committee and other interested Governments instruct their representatives on the governing bodies of other members of the United Nations system to support the High Commissioner in his efforts to ensure that the needs of refugees be given a priority in the work programmes of these other agencies".

55. A step in the direction of strengthening co-operation was taken by the General Assembly in its resolution 2294 (XXII) of 11 December 1967 when it decided, upon recommendation of the Executive Committee endorsed by the Economic and Social Council, that the High Commissioner be invited to attend the meetings of the Inter-Agency Consultative Board of UNDP and to participate in the preparatory work of the second United Nations Development Decade. The High Commissioner also participates in the work of the Administrative Committee on Co-ordination and its committees.

56. Representatives of specialized agencies (ILO, FAO, WHO, UNESCO) and other United Nations organs (UNDP, UNICEF, WFP) attend sessions of the Executive Committee. These agencies are more or less closely associated with UNHCR programmes.

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V. Reporting procedures

57. Article 11 of the Statute provides that "the High Commissioner shall report annually to the General Assembly through the Economic and Social Council; his report shall be considered as a separate item on the agenda of the General Assembly". It also states that he "shall be entitled to present his views before the General Assembly, the Economic and Social Council and their subsidiary bodies".

58. The reports of the Executive Committee of the High Commissioner's Programme are attached to the annual reports of the High Commissioner to the General Assembly (Economic and Social Council resolution 672 (XXV) of 30 April 1958).

59. The General Assembly also receives the accounts relating to the voluntary funds administered by the High Commissioner, together with the report thereon of the Board of Auditors and the comments of the Advisory Committee (the Advisory Committee's comments are also submitted to the Executive Committee).

ANNEX IV

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH

I. Purposes and functions

1. The United Nations Institute for Training and Research is "an autonomous institution within the framework of the United Nations".^{a/} It was established pursuant to General Assembly resolution 1934 (XVIII) of 11 December 1963.
2. The purpose of the Institute is that of "enhancing ... the effectiveness of the United Nations in achieving the major objectives of the Organization, in particular the maintenance of peace and security and the promotion of economic and social development".^{b/} "The two functions of the Institute are training and research".^{c/}

II. Establishment of the Institute: Legislative action

3. By resolution 1827 (XVII) of 18 December 1962 adopted within the context of the mobilization of human resources for the United Nations Development Decade, the General Assembly requested the Secretary-General,

"having regard to the existence of other programmes and institutions active in this and similar fields, and taking into account the views of the specialized agencies, to study the desirability and feasibility of establishing a United Nations institute or a training programme under the auspices of the United Nations, to be financed by voluntary contributions, both public and private, and to transmit his study to the Economic and Social Council at its thirty-sixth session and to the General Assembly at its eighteenth session; the frame of reference of the institute or programme might include such fields as:

(a) Training of personnel, particularly from the developing Member States, for administrative and operational assignments with the United Nations and the specialized agencies, both at Headquarters and in field operations, and for national service;

^{a/} Official Records of the General Assembly, Twenty-second Session, Annexes, agenda item 45, document A/6875, annex III, Statute of the United Nations Institute for Training and Research, article 1.

^{b/} Ibid., article 1.

^{c/} Ibid., article 2.

(b) Advanced training for persons now serving in such posts;

(c) Research and seminars on operations of the United Nations and the specialized agencies."

4. The Economic and Social Council, endorsed the broad lines of the Secretary-General's plan for the Institute by resolution 985 (XXXVI) of 2 August 1963. Subsequently, the General Assembly, by resolution 1934 (XVIII) of 11 December 1963, requested the Secretary-General "to take the necessary steps to establish the institute".
5. Progress reports by the Secretary-General were considered by the Economic and Social Council at its thirty-seventh session (resolution 1037 (XXXVII) of 15 August 1964) and thirty-ninth session. In resolution 1072 (XXXIX) of 26 July 1965, the Council expressed the hope that the Institute would "begin operations as soon as possible and not later than the end of 1965". The General Assembly, in resolution 2044 (XX) of 8 December 1965, echoed that hope. It requested "the Executive Director of the Institute to report annually to the General Assembly and, as appropriate, to the Economic and Social Council on the activities of the Institute".
6. UNITAR came into existence with the first session of the Board in March 1965. The appointment of the first Executive Director of the Institute was announced by the Secretary-General on 25 March 1965.^{d/}
7. In November 1965, the Secretary-General, in consultation with the Institute's Board of Trustees, promulgated the Statute of the Institute. The promulgation of this Statute was noted with satisfaction by the Economic and Social Council in resolution 1138 (XLI) of 29 July 1966. The General Assembly took note of the Statute in resolution 2187 (XXI).

III. Management of the Institute

8. The governing body of the Institute is its Board of Trustees which, under article III of the Statute, consists of not less than eleven and not more than eighteen members appointed for a three-year term of office by the Secretary-General

d/ Ibid., Twentieth Session, Annexes, agenda item 48, document A/6027.

of the United Nations in consultation with the President of the General Assembly and the President of the Economic and Social Council and four ex officio members (the Secretary-General of the United Nations, the Presidents of the General Assembly and of the Economic and Social Council, and the Executive Director of the Institute).

9. At its third session in March 1966, the Board established an Administrative and Financial Committee. A Research Committee was set up by decision of the Board at its fifth session in March 1967. Each Committee consists of the Chairman of the Board, who is also Chairman of the Committee, and six other members, including the Executive Director, who sits as an ex officio member. At its sixth session in October 1967, the Board decided that it would normally hold one annual session. The Administrative and Financial Committee would also meet once a year. The Research Committee is to be convened as required.^{e/}

10. The Executive Director, who has the rank of Under-Secretary-General, is appointed by the Secretary-General of the United Nations after consultation with the Board (article IV of Statute).

11. The respective responsibilities of the Board and the Executive Director are as follows:

(a) The Board, which must meet at least once a year, formulates the principles and policies which will govern the activities and operations of the Institute; it considers and approves the work programme and adopts the budget of the Institute; it determines the conditions of admission of participants in the Institute's programmes, courses and meetings; it also makes whatever recommendations it may deem either necessary or desirable for the effective functioning of the Institute (article II).

(b) The Executive Director has the over-all responsibility for the organization, direction and administration of the Institute, in accordance with the general policies formulated by the Board. Inter alia, he submits to the Board the draft work programmes and the budget estimates of the Institute, and executes the work programmes and administers the budget as approved by the Board; he appoints and directs the Institute's staff; he also has negotiating and co-ordinating functions (article IV of the Statute).

^{e/} Ibid., Twenty-second Session, Annexes, agenda item 45, document A/6875, annex II, para. 24.

12. The staff of the Institute are appointed by the Executive Director. The selection of the senior officials is made in consultation with the Secretary-General (article V); other appointments are brought before the UNITAR Appointment and Promotion Committee, which consists of senior officials of the United Nations Secretariat; the recommendations of the Committee are made to the Executive Director. The Statute stipulates that "the terms and conditions of service of the staff shall generally conform to the United Nations Staff Regulations and Rules, subject to such arrangements for special rules or terms of appointment as may be agreed by the Executive Director and the Secretary-General". In 1968 the staff of the Institute consisted of twenty-six Professional officers and consultants and twenty General Service staff, divided among the Office of the Executive Director, the Department of Training and the Department of Research. The Institute also maintains a small office at Geneva of two Professional and one General Service staff.

IV. Finance

13. As has been indicated in paragraph 3 above, the General Assembly decided from the outset that the Institute was to be financed by voluntary contributions, both public and private. This decision has been embodied in article VIII.1 of the Statute. Such contributions may be for a specific purpose, provided it is not inconsistent with the purposes and policies of the Institute.

14. Article III.4 of the Statute provides that "the Board shall consider the methods of financing the Institute with a view to ensuring the effectiveness of its future operations, their continuity and the Institute's autonomous character within the framework of the United Nations".

15. As can be seen from paragraph 11 above, the Board adopts the Institute's budget after considering estimates submitted to it by the Executive Director.

16. In this task, the Board is assisted by its Administrative and Financial Committee (see para. 9 above). The Committee is composed of the Chairman of the Board of Trustees, who acts as Chairman of the Committee, and six other members, one of whom, the Executive Director, is an ex officio member. The terms of reference of the Committee are as follows:

...
/...

"Within the provisions of article III, paragraphs 2 and 4 of the Statute of the Institute, the Administrative and Financial Committee of the Board of Trustees, shall:

(1) Submit to the Board recommendations with respect to the programme and budget matters of the Institute as proposed by the Executive Director;

(2) Review the Executive Director's expenditure of funds allocated for the Institute's projects and activities within the budgetary estimates previously adopted by the Board;

(3) Review the reports of the United Nations Board of Auditors, which are prepared in accordance with article VIII, paragraph 6, of the Statute;

(4) Submit to the Board whatever recommendations it may deem either necessary or desirable for the effective functioning of the Institute;

(5) Offer whatever suggestions it may consider helpful to the Board in the consideration of the methods of financing the Institute." f/

17. The funds of the Institute are kept in a special account established by the Secretary-General in accordance with the Financial Regulations of the United Nations. All necessary financial and accounting functions, including the preparation and certification of the annual accounts, are performed by the Controller of the United Nations (article VIII). The Statute lays down that the salary and allowances of the Executive Director (article VI.2) and the expenses of the staff (article V) are paid from the funds of the Institute.

18. Article VIII of the Statute of the Institute specifies that:

"The Financial Regulations and the rules and procedures of the United Nations shall apply to the financial operations of the Institute subject to such special rules and procedures as the Executive Director in agreement with the Secretary-General may issue after consultations with the Board of Trustees and the Advisory Committee on Administrative and Budgetary Questions of the United Nations."

19. In adopting the budget for 1967, the UNITAR Board, at its fourth session in September 1966, authorized the Executive Director "to make such transfers between chapters and sections during the year 1967 as may be necessary and appropriate for maintaining the flexibility and effectiveness of the operations, such transfers

f/ Ibid., annex II, appendix C.

to be reported by the Executive Director to the Board of Trustees in 1967".^{g/}
A similar authorization has been included in the decision on the 1968 budget taken by the Board at its sixth session in October 1967^{h/} and on the 1969 budget taken by the Board at its seventh session in September 1968. It will be seen from the above that the Executive Director is not required to seek the prior approval of the Board's Administrative and Financial Committee for such transfers.

20. The funds administered by and for the Institute are subject to audit by the United Nations Board of Auditors (article VIII.6). The statements of accounts and schedules certified by the Board of Auditors are transmitted to the General Assembly, together with the report of the Board, under cover of the Secretary-General's annual financial report; this material is reviewed by the Advisory Committee.

21. The Secretary-General issued his appeal for voluntary contributions to the Institute on 17 December 1963 and his personal representative and, subsequently, the Executive Director, visited a large number of countries in different parts of the world. The following table shows the growth in the total amount of pledges made by and cash received from Governments and non-governmental sources since the inception of the Institute.

(In US dollars)

	<u>Governments</u>		<u>Non-governmental sources</u>
	<u>Number</u>	<u>Total</u>	
		\$	\$
as at 17 May 1965	51	2,313,174	552,200
as at 14 Sept. 1965	60	2,821,753	559,320
as at 31 Dec. 1966 ^{b/}	70	3,232,883 (1,381,243) ^{a/}	558,931 (516,931)
as at 31 Dec. 1967 ^{b/}	74	3,686,854 (2,305,495) ^{a/}	578,932 (536,932)
as at 4 Oct. 1968 ^{b/}	76	4,136,954 (3,030,125) ^{a/}	705,766 (554,481)
^{a/} The pledges from governmental sources mostly relate to the whole of the first quinquennium of the Institute. The figures in brackets represent payments received by the dates shown in the first column.			
^{b/} Excluding contributions in kind and pledges in non-convertible currencies.			

^{g/} Ibid., Twenty-first Session, Annexes, agenda item 48, document A/6500, annex II, para. 37.

^{h/} Ibid., Twenty-second Session, Annexes, agenda item 45, document A/6875, annex II, para. 21.

22. The first interim budget of the Institute, covering the period 1 April to 30 September 1965 amounted to \$255,500. It was followed by an interim budget of \$172,950 for the quarter 1 October-31 December 1965. The growth of the Institute's budget since then has been as follows:

Budget estimates of the Institute as approved by
the Board

<u>Year</u>	<u>Initial</u> \$	<u>Revised</u> \$	<u>Actual expenditure</u> \$
1966	1,000,000 ^{a/}		729,659 ^{d/}
1967	1,216,300 ^{b/}	1,227,000 ^{b/}	955,965 ^{e/}
1968	1,290,000 ^{c/}		
1969	1,334,000 ^{c/}		

a/ Excluding approximately \$300,000 provided under the United Nations regular programme and Expanded Programme of technical assistance for some training activities.

b/ Excluding approximately \$300,000 of supplementary financing for some training activities and the UNITAR Adlai E. Stevenson Memorial Fellowships.

c/ Excluding the UNITAR Adlai E. Stevenson Memorial Fellowships and possible supplementary financing from the United Nations and UNDP.

d/ Official Records of the General Assembly, Twenty-second Session, Supplement No. 6 (A/6706), pp. 63-64.

e/ Ibid., Twenty-third Session, Supplement No. 6D (A/7206/Add.4).

V. Co-ordination with other agencies and organizations

23. As can be seen from paragraph 3 above, the General Assembly has, from the very outset, attached importance to co-ordination with other programmes and institutions and with the specialized agencies. This has been expressed in almost every resolution on UNITAR adopted by the General Assembly and the Economic and Social Council.

24. Under article III, paragraph 5 of the Statute,

"Specialized agencies and the International Atomic Energy Agency may be requested as appropriate at meetings of the Board in respect of activities of interest to them.... Representation of agencies with a major continuing

interest shall be arranged for on a permanent basis. Representatives of the regional development institutes and other institutes within the United Nations system may be invited to attend as necessary."

Article VII of the Statute provides further that:

"The Institute shall develop arrangements for active co-operation with the specialized agencies and other organizations, programmes and institutions of the United Nations, including the regional economic development institutes established under the aegis of the Economic Commissions for Latin America, for Asia and the Far East and for Africa; ... the Institute may also develop arrangements for co-operation with other organizations or institutions active in the fields of training and research which may be of assistance to the performance of the Institute's functions."

25. In its resolutions 1138 (XLI) and 1249 (XLIII) on the reports of the Executive Director of the Institute, the Economic and Social Council recognized the importance of the Institute's close collaboration with other bodies of the United Nations system. The Council's resolutions were endorsed by the General Assembly in resolutions 2187 (XXI) and 2277 (XXII).

26. Active collaboration between UNITAR and the specialized agencies, national research and planning institutions and non-governmental training and research institutions began with the meeting of the Institute's first panel of consultants at Bellagio, Italy, in July 1965. Since then, representatives of the ILO, UNESCO and IBRD have attended meetings of the UNITAR Board. All the specialized agencies and the IAEA have named liaison officers to deal with matters of common interest and mutual concern. The Institute has also undertaken projects which involve collaboration with other United Nations bodies, including the specialized agencies, the United Nations Secretariat, UNIDO, UNDP and WFP, the regional economic commissions, regional institutes and institutes for planning, training and research within the United Nations family. Since July 1966, annual meetings of Directors of the institutes for planning, training and research have been held in Geneva under the chairmanship of the Executive Director of UNITAR.

27. At its fourth session in September 1966, the Board of UNITAR, acting on the recommendations of its Administrative and Financial Committee, decided that, in accepting research projects proposed by other organs and organizations of the United Nations system, UNITAR should not undertake such projects simply because those organs and organizations lack funds for the implementation of their proposals...

/...

Instead, the Executive Director should consult with the organization or unit concerned on securing adequate financial support for the project in question.^{i/}

28. At the same session, the Board of Trustees expressed the view that studies by scholars published under the auspices of the Institute would not fall within the purview of the Publications Board of the United Nations Secretariat.

29. At its seventh session in September 1968, the Board adopted the following decision in regard to the publication of UNITAR studies:

"(i) Publication of research studies will be determined, bearing in mind the aims and objects of UNITAR, by the Executive Director, save in those exceptional cases where research is undertaken on a restricted basis for the Secretary-General or for one of the United Nations bodies. All decisions taken by the Executive Director in this respect will be reported by the Executive Director to the Board of Trustees at their next meeting.

(ii) In the case of contracts with outside bodies or individuals, the Institute will reserve the right of publication.

(iii) The Executive Director may, in his discretion, consult the Board of Trustees for guidance."

30. UNITAR representatives participate in the work of ACC, and of such of its subsidiary bodies as deal with matters related to the Institute's field of interest.

VI. Conclusions

31. UNITAR is an autonomous institution within the framework of the United Nations. Reports on the work of the Institute are submitted by the Executive Director annually to the General Assembly and, as appropriate, to the Economic and Social Council (to which reports have, in practice, been submitted annually). In their relevant resolutions, the Council and the General Assembly have taken note of the reports of the Executive Director. UNITAR participates in the "common system" and applies the United Nations Staff Regulations and Rules and Financial Regulations. Institutional arrangements exist for co-ordinating the activities of the Institute with those of the United Nations, the specialized agencies, the IAEA and various regional and other institutions.

i/ Ibid., Twenty-first Session, Annexes, agenda item 48, document A/6500, annex II, para. 12.

32. The Institute is financed by voluntary contributions, both public and private. The Institute has undertaken some activities financed jointly with the United Nations, UNDP and other bodies. UNITAR reimburses the United Nations for the cost of common services provided by the latter. In its Administrative and Financial Committee, UNITAR has a body which can scrutinize budget estimates and performance. Its accounts are audited by the United Nations Board of Auditors; the relevant schedules are included in the material which is annually reviewed by the Advisory Committee and subsequently submitted by the Secretary-General to the General Assembly under cover of his Financial Report. As has been stated in paragraph 18 above, the Statute of the Institute makes provision for consultations with the Advisory Committee should it be deemed desirable to issue special financial rules and procedures for the Institute.
