



Dual Distribution

Sixth session  
Agenda item 28 (a)

CO-ORDINATION BETWEEN THE UNITED NATIONS AND THE  
SPECIALIZED AGENCIES

Administrative budgets of the specialized agencies for 1952,  
and development of common services

Seventh report of 1951 of the Advisory Committee on  
Administrative and Budgetary Questions

1. In accordance with the provisions of article 17, paragraph 3, of the Charter of the United Nations and General Assembly resolution 14 A (I) of 13 February 1946, the Advisory Committee on Administrative and Budgetary Questions has examined on behalf of the General Assembly the administrative budgets of those specialized agencies which have formal agreements with the United Nations providing for the transmittal of their budgets for examination by the Assembly.
2. The following agencies have submitted their budgets or budgetary estimates for 1952 to the United Nations: International Labour Organization, Food and Agriculture Organization, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, Universal Postal Union, World Health Organization and International Telecommunication Union.
3. Information was also submitted to the Advisory Committee concerning the supplementary and closure periods ending 31 December 1951 of the International Refugee Organization, as well as the 1952 budget of the World Meteorological Organization, the agreement with which will be examined by the General Assembly at its present session. The Secretary-General of WMO appeared informally before the Committee, but pending approval of the agreement by the General Assembly, no comments are offered in the present report.
4. The agreements concluded with the International Bank for Reconstruction and Development and the International Monetary Fund do not provide that the budgets of these organizations shall be submitted to the United Nations for examination.

/5. In accordance  
A/1971

5. In accordance with financial regulation 3.3 of the United Nations, details of the budgets or budgetary estimates of the United Nations and certain specialized agencies appear in Information Annex II to the Secretary-General's budget estimates for 1952.<sup>1/</sup> The following table shows the gross totals of the 1952 budgets or budgetary estimates, together with the corresponding figures for 1951 and actual expenditure for 1950:

/International Labour Organization

<sup>1/</sup> A/1812/Add.1 (see Official Records of the General Assembly, Sixth Session, Supplement No. 5 A.)

	1950 Actual ex- penses and obligations  \$ US	1951 Appropriations or expenditure authoriza- tions  \$ US	1952 Appropriations or estimates  \$ US	1952 Increase by comparison with 1950  \$ US	1951  \$ US
International Labour Organization	5,266,854	6,269,506	6,549,639	1,282,785	280,133
Food and Agri- cultural Organization	4,504,653	4,525,000 <sup>(a)</sup>	5,525,000 <sup>(b)</sup>	1,020,347	1,000,000
United Nations Educational, Scientific and Cultural Organization	7,162,794	8,210,000 <sup>(c)</sup>	8,728,000 <sup>(c)</sup>	1,565,206	518,000
International Civil Aviation Organization	2,564,157	3,078,052	3,110,348	546,191	32,296
Universal Postal Union	301,837	349,738	335,838	34,001	(- 13,900)
World Health Organization	6,108,299	6,232,057 <sup>(a)</sup>	7,677,782 <sup>(d)</sup>	1,569,483	1,445,725
International Telecommunication Union	1,402,488	1,615,634	1,620,327	217,839	4,693
Sub-total (speci- alized agencies)	27,311,082	30,279,987	33,546,934	6,235,852	3,266,947
United Nations	43,746,264	47,798,600	46,568,300 <sup>(b)</sup>	2,822,036	(-1,230,300)
Grand Total	71,057,346	78,078,587	80,115,234	9,057,888	2,036,647

(a) Expenditure authorization

(b) Estimates

(c) Includes \$10,000, contribution of the Government of Cuba towards the cost of maintenance of the Western Hemisphere Office.

(d) Excludes \$1,400,000 assessment against inactive members.



NOTE: WHO, in respect of its 1952 appropriations, and FAO, in the preparation of its 1952 and 1953 estimates, have taken into account the impact of non-payment of contributions during the year on the execution of the agency's programme. In the case of WHO, an assessment against "inactive" members was made although no corresponding figure was appropriated for expenditure. In FAO, an amount equal to roughly 10 per cent of the budget of previous years was proposed to be set up in the same manner as WHO's reserve. This proposal was modified by the Council of FAO, which requested that a supplementary programme, in the amount of the reserve, should be submitted by the Director-General. It remains for the FAO Conference to decide whether the excess of assessments over the appropriation for the regular programme shall also be appropriated for utilization if received, or, as in WHO, constitute an assessment figure only, without an expenditure counterpart.

6. The Advisory Committee has repeatedly drawn the attention both of Member States and of the secretariats of specialized agencies to the necessity of stabilizing activities and expenditures in view of the growing difficulty involved in the payment of contributions to international organizations. The upward trend of activities which the above figures partially disclose is clearly demonstrated in the following table showing variations in staff members in the United Nations and specialized agencies during the years 1949 - 1952:

	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>
United Nations	3,746	3,830	3,730	4,004 <sup>(a)</sup>
International Labour Organization <sup>(b)</sup>	603	694	705	742
Food and Agriculture Organization	679	691	688	772 <sup>(a)</sup>
United Nations Educational, Scientific and Cultural Organization	720	825	863	831
International Civil Aviation Organization	420	438	416	427
Universal Postal Union	16	17	17	17
World Health Organization	505	675	730	828
International Telecommunication Union	134	140	137	144
Total	<u>6,823</u>	<u>7,310</u>	<u>7,286</u>	<u>7,765</u>

(a) Estimates. In the case of FAO the apparent increase of 84 posts over the 1951 establishment is represented almost entirely by the necessity for engaging a complete maintenance and custodial staff for the Organization

/two buildings

two buildings in Rome, whereas this responsibility was performed under contract in Washington.

(b) Figures include positions for branch offices and correspondents offices, some of which are part-time positions. For 1952, the number of this group is 93.

The above figures are, of course, exclusive of additional personnel engaged on a purely temporary basis. Appropriations or estimates for the above organizations in respect of salaries, wages and fees during 1951 and 1952 are shown in the following table:

	1951 Dollars (US)	1952 Dollars (US)
Established posts	35,551,661	38,796,573
Temporary assistance	1,506,640	1,143,490
Consultants fees and related expenditure	1,261,763	1,280,682
Overtime and night differential	321,840	344,436

Neither of the above tables covers staff engaged under the expanded programme of technical assistance or other extra-budgetary programmes. As regards the relationship between regular programmes and extra-budgetary programmes, attention is drawn to the fact that certain functions arising out of the latter programmes are necessarily performed, mostly on a part-time basis, by personnel charged against the regular budgets of the various organizations. It is, however, not possible to express such functions in terms of staff numbers or expenditure.

7. Apart from the individual budgets and administrative arrangements, on which comments are submitted in paragraphs 30 to 68 below, the Committee has also given consideration to certain general problems of an administrative and financial nature which arise both in the United Nations and the specialized agencies

#### Temporary assistance

8. In previous reports the Advisory Committee has recommended that both in the United Nations and the specialized agencies control should be exercised over the use of temporary assistance. At least two agencies have found it possible to dispense with such assistance in so far as the replacement of regular staff on leave is concerned, other staff members being required temporarily to absorb the additional work-load. This practice might be followed with advantage by the United Nations and the other agencies, since, apart from considerations of economy,

/it constitutes



it constitutes a valuable factor in the development of a versatile staff.

Salary differentials

9. Certain of the specialized agencies which adopted the United Nations salary scale have not so far complied with the related recommendations on salary differentials. Since a uniform application of differentials is a necessary corollary of a common salary scale, the Advisory Committee trusts that the legislative bodies of the agencies, when considering the matter of salary differentials, will have full regard to the consequences that inevitably result from an isolated decision.

Language services

10. It is the practice of ILO to recruit substantive staff possessing the necessary qualifications for assignment, as and when necessary, to language services (translation, interpretation, précis-writing). An extension of this practice is recommended among other agencies, and particularly among those requiring such services intermittently.

Travel expenses

11. The 1952 provision for travel expenses in the United Nations and specialized agencies amounts to a total of \$4,264,621, of which \$2,122,067 relates to travel on official business. In recommending a careful review of travel programmes, the Advisory Committee draws attention to the fact that each of two agencies, with a far smaller staff, has provided in its 1952 budget an amount exceeding that of the United Nations for travel on official business.

Extra-budgetary funds

12. The Advisory Committee was informed that, in accordance with paragraph 3 of General Assembly resolution 411 (V) of 1 December 1950, the secretariats of specialized agencies having programmes financed from extra-budgetary sources have supplied their legislative bodies with information concerning the funds under their administration. A summary consolidated table, giving a brief description of such extra-budgetary funds, is included in Information Annex II to the United Nations budget estimates for 1952.<sup>2/</sup>

13. The reasons which led the Advisory Committee to propose the adoption by the General Assembly of resolution 411 (V) were summarized in its report on the 1951

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<sup>2/</sup> A/1612/Add.1 (see Official Records of the General Assembly, Sixth Session, Supplement No. 5A, table I.

budgets of the specialized agencies:

"..... Of these problems, perhaps the most important concerns the control of technical assistance funds and other extra-budgetary funds, as well as the form of presentation of the relevant estimates. At present, such funds are not incorporated in the annual budgets of the agencies, and, except in the case of WHO, even the presentation of the estimates for technical assistance is entirely separate from the annual budgets. As a consequence of this procedure, the annual budgets do not reflect the whole of the activities of the organization for the year to which they refer, and a comprehensive appraisal can be made only by reference to a number of separate documents". (A/1441, paragraphs 8 and 9).

14. Although the recommendations of the Advisory Committee have been substantially complied with; the problem of presentation still appears to exist in most of the agencies. Information on whatever parallel activities may be undertaken by the organization under extra-budgetary fund arrangements does not form part of the annual budget document, and as a consequence, the legislative body must find it difficult to form a comprehensive picture covering every phase of its activities; nor, in many instances, can the inter-relationship between programmes provided for under the regular budget and those financed by extra-budgetary funds be readily determined. The Committee therefore suggests that consideration be given to the inclusion, wherever appropriate, in the regular budget estimates and especially in summary tables, of references similar to those contained in the WHO budget estimates to parallel activities which the Organization expects to undertake under such extra-budgetary arrangements.

15. As regards the control of extra-budgetary funds the Advisory Committee notes that, with two or three exceptions, no provision exists for a legislative examination of projects by the conference of an agency, and that these are approved only at the secretariat level. Present arrangements contemplate that requests for technical assistance shall be submitted by governments to the agency or to the Technical Assistance Board. The executive head of the agency examines the request, decides on whether it should be undertaken and prepares the estimates of cost. The project is then referred to TAB, whose function it is primarily to consider whether the project falls within the field of action of the proposing agency or overlaps with any other project already approved. This procedure applies to the approval of projects to be financed with monies provided for under the automatic allocation of the expanded programme funds. When projects are to be undertaken in excess of the automatic allocation, they have to be approved by TAB

/before monies



before monies are allotted for their execution. In both instances, however, the secretariats of the agencies have final responsibility - either directly or indirectly, through TAB (which is composed of the executive heads of the United Nations and specialized agencies) - for approving projects and, where necessary, for establishing an order of priorities. This procedure seems contrary to national practices, and the General Assembly may wish to consider whether the existing system should not be modified.

16. As regards the audit of agency expenditure under the Special Account, as requested by the General Assembly in paragraph 3 of resolution 411 (V), the Advisory Committee notes that common procedures have been agreed upon by the Joint Panel of Auditors, and that a report on the audit will be prepared by the Panel early in 1952.

17. On the question of conditions of recruitment and employment of personnel engaged for extra-budgetary programmes, the Advisory Committee took note of the differing practices that are followed by the agencies concerned. It suggests that every effort should be made to apply a common pattern. Particular attention should be devoted to the financial obligations incurred by organizations engaging staff for this purpose and to the necessity of clearly establishing the status of such personnel in the matter of separation payments, commutation of annual leave, and other staff benefits. The Committee assumes that in applying a reserve to the percentage allocations from the Special Account, TAB had regard, among other considerations, to the necessity of providing for any liquidation expenses that might arise.

#### Common services

18. In reporting on the 1951 budgets of the specialized agencies, the Advisory Committee referred to an unsatisfactory position in regard to common administrative services for organizations situated in the same area. The question of the further development of such services, under the terms of General Assembly resolution 411 (V), paragraph 6, was the subject of a progress report dealing with the co-ordination of certain services in Geneva, submitted during October 1951 by the Secretary-General to the Advisory Committee. The Committee, while agreeing that progress has been made in this field, considers that there is still room for improvement in certain areas and trusts that further efforts in the same direction will be made.

/Headquarters



#### Headquarters buildings for international organizations

19. Several of the specialized agencies are planning the construction of permanent headquarters buildings. WMO and ITU have decided to locate their headquarters in Geneva, in order, among other reasons, to improve the co-ordination of their programmes with those of the United Nations and other agencies. Offers have been received for the erection of a separate building, outside the Palais des Nations, for each of these two agencies. Acceptance of these offers would clearly involve the member States in expenditures for interest, maintenance and overhead charges in excess of those resulting from the joint use of a single building, and would reduce the possibility of common administrative arrangements and services. The Advisory Committee recommends that the plans should be carefully reviewed in the light of these considerations, and particular attention given to the possible accommodation of the agencies concerned within the precincts of the Palais des Nations.

#### Arrears of contributions

20. Careful consideration is being given by the secretariats of the United Nations and the specialized agencies, acting through the Administrative Committee on Co-ordination and its Consultative Committee on Administrative Questions, to the problem of arrears of contributions. The Advisory Committee hopes that, as a result, there will be submitted to the legislative bodies of the United Nations and the specialized agencies a proposal for a common solution to the problem of uniform application, as far as practicable, in all the organizations concerned. While the United Nations itself does not face an immediate problem in respect of contributions in arrears, a serious situation has arisen in certain of the specialized agencies, and the Committee is glad to note that the budgetary and financial questions at issue are now the subject of study with a view to the development of a common approach. The study should also embrace the problems inherent in the practices adopted by WHO and FAO, which are described in the Note to paragraph 5 of the present report.

#### Biennial sessions of conferences

21. The Advisory Committee has previously recommended that the specialized agencies should review their programmes of meetings in order to reduce, where possible, the number of formal meetings of government representatives. It takes note of the growing practice of holding biennial conferences of the legislative body, and urges those agencies which continue to hold such conferences at annual intervals to give further consideration to the matter, with particular reference to the resultant

/economies

economies on staffing, documentation and travel costs. Some agencies in the latter category have achieved substantial economies through the practice of restricting the agenda for their conferences in certain years mainly to questions of a purely administrative nature.

Contributions by host governments

22. Provision is made in certain of the agency budgets for sessions of general conferences and other bodies to be held away from headquarters. The Advisory Committee has consistently recommended that this practice, which may have serious administrative and financial implications both for delegations and secretariats, should be reduced to a minimum, and the General Assembly has itself endorsed this recommendation.

23. An invitation by a host government to hold a conference within its territory, even without additional cost to the organization, should not in itself constitute sufficient justification for a departure from the general rule that all meetings should be held at headquarters.

24. The Advisory Committee in any case recommends that where over-riding considerations justify the holding of a conference away from headquarters, uniform principles should govern the financial arrangements. Except where specific cases clearly call for a deviation, these principles should specify the nature and proportion of the total costs to be borne respectively by the agency concerned and by the inviting government.

Printing

25. Throughout the appropriations or estimates for 1952 the rising costs of printing are reflected in an increase in the budgetary provision made or proposed under this head. The Advisory Committee believes that, in view of the present conditions of financial stringency and the limited resources of which Member States dispose, every effort should be made to achieve a reasonably stable level of expenditure for this programme, through an adjustment of the volume of printing to rising prices and the adoption of the other measures indicated below.

26. As regards a possible restriction of the scope of the printing programme, some responsibility must clearly rest with the legislative bodies as to what they direct to be printed. The Advisory Committee recommends in particular that documents proposed for printing be subjected to careful scrutiny in order that the necessity for printing be established and unimportant parts omitted from the text.

/Furthermore,



Furthermore, the periodicity of certain publications might be reviewed and bulky volumes in some cases published at longer intervals. This is especially true of budget documents and monthly statistical publications. In the former case, the necessity for reproducing every year supporting data of an almost identical nature might be critically examined. In the latter case, the addition of a small number of new figures scarcely justifies the monthly re-printing of the same main tables; instead, mimeographed monthly supplements might be used, the printed material being published quarterly.

27. The Advisory Committee further recommends that less expensive printing standards should be adopted: narrower margins, the elimination of blank pages and the use of a smaller type-face are among measures that have already produced savings in the printing costs of certain of the specialized agencies. The substitution of internal reproduction (by offset or mimeographed processes) for contractual printing has proved feasible and led to significant savings in several of the agencies. Arrangements might also be made for the joint purchase of internal printing equipment by several agencies in the same area, so that an extensive and common use of the equipment may justify the initial capital outlay.

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28. Many of the recommendations contained in the present report apply equally to the United Nations, and should be read in conjunction with the Advisory Committee's comments on the 1952 budget estimates of the latter Organization.<sup>3/</sup>

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29. The Advisory Committee acknowledges the assistance which it has received, in the course of its review, from officers of high rank of the organizations concerned, and which greatly facilitated its tasks.

OBSERVATIONS REGARDING THE BUDGETS OR BUDGETARY ESTIMATES OF SPECIFIC AGENCIES  
International Labour Organisation

	<u>Dollars (US)</u>
1952 appropriation .....	6,549,639 (gross)
1951 appropriation .....	6,269,506 (gross)
1950 expenditure .....	5,266,854

30. For 1952, the total gross appropriations voted by the International Labour Conference exceed the corresponding 1951 appropriations by \$280,133. On a net

<sup>3/</sup> A/1853 (see Official Records of the General Assembly, Sixth Session, Supplement No. 7.

/basis,

basis, the increase amounts to \$251,133 (from \$6,219,506 in 1951 to \$6,470,639 in 1952). Included in the appropriation figures for 1951 and 1952 is an amount of \$250,000 to be paid into the Working Capital Fund, which is offset in each of the two years by a credit of \$245,717 representing the distribution of one-fifth of the original Fund. Thus, the effective net budgets for 1951 and 1952 are \$5,973,789 and \$6,224,922, respectively.

31. Estimated expenditure during 1952 is distributed under the following main heads, as compared with the corresponding figures for 1951:

	1951 Dollars (US)	1952 Dollars (US)
I Meetings .....	855,712	880,641
II Personal services <sup>(a)</sup> .....	3,973,802	4,231,363
III General services .....	1,105,492	1,096,451
IV Special projects and activities ...	75,000	128,000
V Other budgetary provisions .....	259,500	212,684
Gross total .....	6,269,506	6,549,639
Less: Casual revenue .....	50,000	79,000
Net total .....	6,219,506	6,470,639

(a) This item covers salaries, wages, fees and staff allowances.

32. The effective net budget for 1952 (\$6,224,922), if compared with actual 1950 expenditure and the net 1951 budget, shows an increase of over \$927,000 and \$250,000 respectively. The Advisory Committee takes note of the statement made in March 1951 by the Director-General to the Finance Committee of the Governing Body to the effect that "every endeavour had been made to keep the estimates within the limits strictly necessary to effectuate the most urgent tasks laid upon the organisation", and of his further assurance that, in view of the difficulties experienced by many Member States in paying their contributions to international organizations, he had, in conformity with the relevant recommendations of the General Assembly (resolution 411 (V), paragraph 1), eliminated or deferred a certain number of projects.

33. The amount appropriated for 1952 in respect of printing (\$254,000) shows an increase of \$18,000 by comparison with 1951, due in part to a larger volume of documentation and in part to the slightly higher unit costs on which the 1952 estimates have been based. Although the Advisory Committee considers that effort /should



should be made to adjust the volume of printing to the rise in prices, it notes the many commendable practices adopted by ILO in the interest of economy, and particularly the use of smaller type-face for subordinate parts of reports and of India paper for copies intended for air-mail transmission. As regards the allocation of printing orders in soft-currency countries, the Committee was informed that, although this matter is being kept under continuous study, difficulty is experienced in many cases in obtaining quotations lower than those ruling in Switzerland.

34. Although the estimates presented by the Director-General and other supporting documents provide extensive information on activities of the organization, the material relating to national correspondents and detached officials in various countries might, it is suggested, usefully be amplified in the preparation of future estimates.

35. In reporting on the 1951 budget appropriations, the Advisory Committee renewed its recommendation concerning a possible amalgamation of the Working Capital Fund and the Reserve Fund (A/1441, paragraph 21). It now understands that, while ILO has the matter under review, it has not so far found it practicable to effect such an amalgamation concurrently with the re-organization of its Working Capital Fund. The Committee is of opinion that this difficulty can be overcome by the adoption of appropriate accounting procedures.

36. The Committee notes that ILO has adopted a minus differential of 5 per cent for its staff in Geneva, in accordance with the decision of the General Assembly in respect of United Nations staff members in the same city.

#### Food and Agriculture Organization

	<u>Dollars (US)</u>
1953) estimates .....	5,525,000 (gross)
1952) estimates .....	
1951 budget allocation .....	5,025,000 (gross)
expenditure authorization .....	4,525,000
1950 expenditure .....	4,504,650

37. In view of the fact that the FAO Conference is not expected to meet in 1952, expenditure estimates covering the two years 1952 and 1953 will be submitted for approval to the forthcoming 1951 session.

38. The estimates for 1952 and 1953 are substantially the same, and compare with the 1951 expenditure authorization as follows:

	1951 Dollars (US)	1952 Dollars (US)	1953 Dollars (US)
I Meetings .....	169,900	142,000	142,000
II Personal services .....	3,078,520	3,506,231	3,506,231
III General services .....	840,627	1,093,497	1,093,497
IV Special projects and activities.	-	-	-
V Other budgetary provisions .....	435,953	783,272	783,272
Gross totals .....	4,525,000	5,525,000	5,525,000
Less: Casual revenue .....	25,000	25,000	25,000
Net totals .....	4,500,000	5,500,000	5,500,000

39. Attention is drawn to the fact that the 1952 and 1953 estimates include provision for a supplementary programme amounting to \$525,000 in each of the two years. Although this amount was originally proposed by the Director-General as undistributed contingency reserve against unpaid and delayed contributions, the Council of FAO decided to request the preparation of a supplementary programme to be financed by any contributions received in excess of the figure of income estimated for the regular budget. The proposed regular budget reflects an increase of \$500,000 over the 1951 figure of authorized expenditure.

40. The Advisory Committee notes that the FAO Conference, while adopting financial regulations with several substantial differences from the common text adopted by United Nations and certain of the specialized agencies, requested the Committee of Financial Control of the Council to review these regulations. Although a number of these differences are explained by variations in the budgetary systems, the Committee trusts that the forthcoming session of the FAO Conference will give careful consideration to other points of divergence, in order to bring its financial system more in line with that of a majority of the agencies.

41. The Council of FAO is increasingly being associated with the programme of technical assistance undertaken by the organization, both in its substantive and financial aspects. The direct interest of a legislative body in the consideration and approval of the various projects serves a dual purpose; on the one hand, valuable assistance is rendered to the secretariat of the organization, upon which rests the responsibility of determining an order of priority between requests for technical assistance; and on the other, Member States are enabled to take cognizance of the nature and scope of the projects under consideration.

/United Nations



United Nations Educational, Scientific and Cultural Organization

	<u>Dollars (US)</u>
1952 appropriation .....	8,728,000 (gross)
1951 appropriation .....	8,210,000 (gross)
1950 expenditure .....	7,162,794

42. The total appropriations voted by the UNESCO General Conference for 1952 show an increase of \$518,000 (gross) by comparison with the 1951 figure. On a net basis, the increase amounts to \$438,000 (1951: \$8,180,000; 1952: \$8,618,000), the figure for estimated casual revenue having risen from \$30,000 in 1951 to \$110,000 in 1952.

43. The provision made for the years 1951 and 1952 under the various parts of the budget of UNESCO is shown in the following table of main heads of expenditure:

	<u>1951</u> <u>Dollars (US)</u>	<u>1952</u> <u>Dollars (US)</u>
I Meetings .....	251,070 <sup>(a)</sup>	302,887 <sup>(a)</sup>
II Personal services .....	4,832,177	4,732,025
III General services .....	1,892,928	2,209,300
IV Special projects and activities .....	1,233,825	1,483,788
Gross totals .....	8,210,000	8,728,000
Less: Casual revenue ....	30,000	110,000
Net totals .....	<u>8,180,000</u>	<u>8,618,000</u>

(a) For the General Conference of UNESCO and Executive Board meetings only.

44. In accordance with the resolution on priorities adopted by the General Conference in 1951 (Resolution 9.91) the Director-General will submit to the 29th session of the Executive Board to be held in March 1952, a plan showing the respective degrees of priority which, in his judgment, should be attached to the various activities of UNESCO. This plan is intended as the basis for the draft programme and budget for 1953 and 1954, and is likely, in the opinion of the Advisory Committee, to prove an effective means of stabilizing expenditure. The question of imposing a limit to programme activities in the more urgent since the General Conference found it necessary, for the purpose of financing the 1952 budget, to supplement anticipated receipts from assessments by certain non-recurring items and temporarily to suspend certain provisions of the Financial Regulations with a view to making the necessary funds available during 1952.

/45. The question

45. The question of the application of uniform salary differentials among agencies situated in the same region arises in connexion with the UNESCO appropriations for 1952, which contain no provision for a differential as compared with a minus 10 per cent differential in 1951. The Advisory Committee recommends that whatever rate may be found appropriate to Paris should be uniformly adopted by organizations maintaining staff in that city, and it further suggests in this connexion that in the application of equitable and uniform differentials a large measure of responsibility rests with the secretariats of the various organizations.

46. The Advisory Committee trusts that, in planning its permanent headquarters, UNESCO will offer common facilities and services as freely as possible, within the limits of its own necessities, for all United Nations purposes.

International Civil Aviation Organization

	<u>Dollars (US)</u> <sup>(a)</sup>
1952 appropriation .....	3,110,348 (gross)
1951 appropriation .....	3,078,052 (gross)
1950 expenditure .....	2,564,157
(a) Conversion from Canadian dollars made at rate of dollars (Canadian) 1.05: dollars (US) 1.00.	

47. The budget appropriation for 1952 is distributed among the following main heads, as compared with the 1951 figures:

	<u>1951</u> <u>Dollars (US)</u>	<u>1952</u> <u>Dollars (US)</u>
I Meetings .....	95,238	104,286
II Personal services ..	2,145,504	2,224,628
III General services ..	754,477	775,720
IV Other budgetary provisions .....	82,833	5,714
Gross totals .....	3,078,052	3,110,348
Less: Casual revenue ...	399,957	411,118
Net totals .....	<u>2,678,095</u>	<u>2,699,230</u>

48. The Advisory Committee notes that, as in previous years, no provision is made under part II (Secretariat) of the budget for temporary assistance; its comments on this matter are set forth in paragraph 8 above.

49. Close attention is being given to a policy of secondment of personnel from national services. Such a policy was indeed contemplated by the Preparatory

/Commission



Commission of the United Nations, which recommended that national officials should be enabled to spend a period of not longer than two years in the Secretariat of the United Nations, so that personal contacts between the Secretariat and national administrations might be strengthened and a body of national officials with international experience created. In the opinion of the Committee, ICAO's action has much to commend it, and might usefully be followed more extensively by other organizations.

50. The Advisory Committee notes that, by reason of the constitutional provisions of ICAO, the President of the Council is closely associated with projects and expenditures under the expanded programme of technical assistance. Through its Finance Committee, the Council has access to the relevant accounts and, being in virtually continuous session at the headquarters of the organization, it is enabled, as a legislative organ, to exercise a wider control over the programme, both as regards policy and finance, than is at present practised in the United Nations or in most of the specialized agencies.

51. As regards the joint system of external audit for the United Nations and the specialized agencies, ICAO has decided to participate in this system under the conditions laid down in General Assembly resolution 457 (V) of 16 November 1950. The organization has also adopted a new salary scale and in general has revised its leave and allowance provisions, which now closely conform to the United Nations system, although a relatively lower scale of payment is provided for senior posts and home leave continues to be granted once in three years.

<u>Universal Postal Union</u>	<u>Dollars (US)</u>
1952 appropriation	335,838 (gross)
1951 appropriation	349,738 (gross)
1950 expenditure	301,837

52. The limits imposed on the ordinary expenditure of UPU, as well as on the cost of sessions of the Executive and Liaison Committee, by the Universal Postal Congress at its quinquennial sessions, preclude the possibility of significant variations within the amounts appropriated from year to year. In fact, even in the variable part of the UPU budget, where provision is made for extraordinary expenditures in respect of meetings and special projects, and on which no rigid ceiling is imposed - approval being given by the Executive and Liaison Committee or the Supervisory Authority - a certain level of over-all stability has been achieved over a number of years.

53. The following table shows the 1951 and 1952 appropriations by main heads of expenditure:

	1951 Dollars (US)	1952 Dollars (US)
I Meetings .....	49,650	80,023
II Personal services ..	121,935	125,300
III General services ...	57,569	50,936
IV Special projects ...	120,584	79,579
Gross total ....	349,738	335,838
Less: Casual revenue .	18,691	15,303
Net total .....	331,047	320,535

54. The Committee notes that the heavy loss incurred by the Union on the printing of its monthly publication "L'Union Postale" is largely attributable to the requirement that it shall be published in several languages, and that for certain of the language editions no compensatory demand has materialized.

55. In the opinion of the Advisory Committee, the system of financing UPU expenditure by means of interest-bearing advances merits further study with a view to the possible adoption of measures tending to obviate the payment of interest charges, perhaps through the establishment of a Working Capital Fund.

56. The Advisory Committee also enquired into the position of the Pension Fund of UPU. In accordance with a decision taken by the Paris Congress (1947), any surplus on annual ordinary expenditure and on expenditure for sessions of the Executive and Liaison Committee is credited to the Pension Fund. Nevertheless, a recent actuarial valuation disclosed a substantial deficit on the Fund, and the Committee suggests that the matter should be considered at the 1952 session of the Universal Postal Congress, with a view to remedial action.

#### World Health Organization

	Dollars (US)
1952 appropriation .....	7,677,782 (gross)
assessments .....	9,077,782
1951 appropriation and assessment ...	7,300,000 (gross)
approved level of expenditure...	6,232,057
1950 expenditure .....	6,108,299

57. Of a total assessment for 1952 of \$9,077,782, \$1,400,000 relates to the contributions of inactive members of WHO, whose contributions are not expected to  
/be received



be received during the year. The latter amount is, however, not available for expenditure.

58. The estimated expenditure for 1952 is distributed under the following main heads, as compared with the corresponding figures for 1951:

	1951 Expenditure authorization Dollars (US)	1952 Appropriation Dollars (US)
I Meetings .....	266,568	265,023
II Personal services .....	4,011,481	4,367,750
III General services .....	1,238,169	1,990,550
IV Special projects and activities .....	715,839	1,054,459
Total .....	6,232,057	7,677,782
Less: Casual revenue .....	-	477,782
Net totals	6,323,057	7,200,000

59. The Advisory Committee notes that WHO is expanding its regional activities through the establishment of zonal offices, while headquarters activities remain at approximately the same level. It trusts that the practice of establishing zonal offices, which is, at present, contemplated only in the Regional Office for the Americas, will not result in increased requirements for administrative staff, but merely in the distribution of regional staff among smaller geographical areas of work.<sup>4/</sup>

60. The estimates for 1952 make no provision for any differential on salaries paid to WHO staff in Geneva in spite of the fact that the United Nations, ILO and ICITO have adopted a minus 5 per cent differential for their Geneva staff. The Advisory Committee recommends that WHO should revise its policy and bring it into line with that of the United Nations and other agencies.

61. As regards the arrangements for staff engaged in connexion with technical assistance programmes, the Advisory Committee was informed that such staff receive

<sup>4/</sup> The distribution of WHO staff since its first full year of operation is as follows:

	1949	1950	1951	1952
Headquarters	334	374	372	375
Regional staff, including field	122	228	292	385
Other (Epidemiological Intelligence Station, Singapore, and Tuberculosis Research Office, Copenhagen)	49	73	66	68
			/contracts	

contracts of the same type as those granted to personnel carried on the regular budget. While not at this stage expressing an opinion on the relative merits of the practice followed in the various agencies, the Committee suggests that uniform staff regulations should be agreed upon for technical assistance personnel, and that particular attention should be paid to the financial consequences to which staff rules governing personnel paid out of extra-budgetary funds may give rise. In the case of WHO, some experience has been gained in handling the separation of staff engaged for work in connexion with UNICEF projects, and this experience might be the subject of careful study by other agencies.

International Telecommunication Union

	<u>Dollars (US)</u>
1952 appropriation .....	1,620,327 (gross)
1951 appropriation .....	1,615,534 (gross)
1950 expenditure .....	1,402,488
(publications budget excluded)	

62. The Advisory Committee notes with appreciation that the Administrative Council of ITU has, during 1951, revised its previous calendar arrangements for its sessions. The Council met in April - May 1951 and approved the 1952 appropriations for the Union, thus enabling the Committee to examine and report on the ITU budget prior to the regular session of the General Assembly.

63. The estimated expenditure for 1952 is distributed among the following main heads, as compared with the corresponding figures for 1951:

	<u>1951 Dollars (US)</u>	<u>1952 Dollars (US)</u>
I Meetings .....	553,435	606,776
II Personal services .....	776,507	767,968
III General services .....	38,650	116,092
IV Special projects and activities .....	9,346	7,010
V Other budgetary provisions..	154,606	122,481
Gross totals .....	<u>1,615,534</u>	<u>1,620,327</u>
Less: casual revenue .....	<u>190,833</u>	<u>131,981</u>
Net totals .....	<u>1,424,801</u>	<u>1,488,346</u>



64. The Advisory Committee notes that the full costs of publication are normally recovered through sales and that no provision is made for free distribution. It suggests that the policy followed by ITU in this matter merits careful study by the United Nations and other specialized agencies.

65. The Advisory Committee also examined the audit system adopted by ITU. It provides for the examination by the Swiss Government authorities of the Union's accounts and a further audit of such accounts by a committee of the Administrative Council. While not questioning the financial advantage and quality of the existing arrangements, the Committee is of the opinion that the system cannot be regarded as providing, in a strict sense, for an external audit and the benefit of constructive criticism which can be derived therefrom. The Committee suggests that the Council may wish to consider the advantages which might accrue from the type of joint audit system approved by the General Assembly for the United Nations and specialized agencies.

66. The Administrative Council, at its sixth session (April - May 1951), authorized the Secretary-General of ITU "to conclude an agreement with the Genevese authorities to rent premises to be built by the State of Geneva on the basis of a plan drawn up to meet the requirements of the Union". The Advisory Committee presumes that, before a final decision is taken in this matter, further consultations will be held among the agencies concerned, and that in any event regard will be had in the planning of the projected building and installations to the conference facilities and common service arrangements available in the Palais des Nations.

67. As regards the possible adoption by ITU of common financial and staff regulations, as well as the question of its entry into such joint machinery as the Joint Panel of Auditors, the Joint Staff Pension Fund and the United Nations Administrative Tribunal, the Advisory Committee draws attention to the fact that these matters will be considered at the Plenipotentiary Conference to be held in 1952 at Buenos Aires. The Committee expresses the hope that the Conference will give favourable consideration to all measures tending to bring ITU's administrative and financial procedures in line with those of the United Nations and other specialized agencies.

68. Linked with the adoption of common financial regulations is the question of the presentation of annual budget estimates in a consolidated form and the establishment of a working capital fund, both matters of importance to the financial life of the Union.

