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Supplementary item A
(GC(IV)/109/Add. 1) [1]

THE USE OF FUNDS PROVIDED TO DEFRAY THE AGENCY'S ADMINISTRATIVE AND OPERATIONAL SERVICES COSTS IN 1960 UNDER THE UNITED NATIONS EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

Report and recommendation by the Board of Governors

1. In Chapter I of the Programme and Budget for 1960 which the Board of Governors submitted to the General Conference at its third regular session, it was indicated that the 1960 budget included an estimated amount of US \$84 000 to cover the identifiable administrative and operational services costs of the Agency in carrying out projects under the United Nations Expanded Programme of Technical Assistance (EPTA). [2] It was further stated that this sum, when allocated to the Agency by the Technical Assistance Committee of the United Nations Economic and Social Council (ECOSOC), would be credited to the Administrative Fund. [3]

2. The General Conference was further informed that the Board had decided to authorize the Director General

"..... to advise ECOSOC that the Agency is willing to consider any long-term proposals which the Council may make to the Participating Organizations on the question of the allocation of the administrative and operational services costs between the regular budgets of the organizations and EPTA budget." [4]

3. On 30 July 1959, ECOSOC, at its 1088th plenary meeting, adopted resolution 737 (XXVIII), the text of which is reproduced in the Annex to this document.

4. In November 1959 an amount of US \$84 000 was allocated from EPTA funds to defray the administrative and operational services costs incurred by the Agency in 1960, and on 16 June 1960 the Board considered the question of whether these funds should be used for that purpose or to provide additional technical assistance under EPTA. Some Members of the Board felt that as a matter of principle EPTA resources should be used exclusively for financing projects; others were of the opinion that the funds should be used by the Agency to defray its administrative and operational services costs as was being done at present by most of the other participating organizations.

[1] The list of supplementary items will be issued on 31 August 1960 in accordance with Rule 13 of the Rules of Procedure.

[2] GC(III)/75, paragraph 30.

[3] Ibid., paragraph 31.

[4] Ibid., paragraph 30(c).

5. In the light of the alternative afforded by the ECOSOC resolution, the Board decided that it would be desirable to use these funds for the Agency's technical assistance activities under EPTA. In arriving at this decision the Board considered that no significant alleviation of the assessments on individual Member States for contributions to the Agency's regular budget would result from the reimbursement of administrative and operational services costs incurred under EPTA; and it was felt that the need to increase the total resources for the Agency's technical assistance activities at a time when the demand for such assistance exceeded the funds at the Agency's disposal justified such a course of action.
6. The Board therefore recommends that the General Conference adopt the following draft resolution.

ADMINISTRATIVE AND OPERATIONAL SERVICES COSTS UNDER THE UNITED
NATIONS EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE

The General Conference,

Having noted the Board's report on the use of funds provided to defray the Agency's administrative and operational services costs in 1960 under the United Nations Expanded Programme of Technical Assistance, [1] as well as the text of resolution 737 (XXVIII) of the Economic and Social Council of the United Nations annexed thereto, relating to the allocation of such costs between "Regular and Expanded Programme budgets",

Approves the Board's recommendation that the funds provided to the Agency for administrative and operational services costs incurred in 1960 be used to increase the Agency's activities under the United Nations Expanded Programme of Technical Assistance.

[1] GC(IV)/119.

ANNEX

Resolution 737 (XXVIII) of the Economic and Social Council
of the United Nations

ALLOCATION OF ADMINISTRATIVE AND OPERATIONAL SERVICES COSTS
BETWEEN REGULAR AND EXPANDED PROGRAMME BUDGETS

The Economic and Social Council,

Recognizing the desirability of keeping as low as possible the administrative and operational services costs of the Expanded Programme of Technical Assistance in order to maximize the resources available for project implementation,

Recalling its resolution 702 (XXVI), of 31 July 1958,

Taking note of the replies of the governing bodies of the participating organizations to the invitation extended in that resolution formally to consider the problem of the allocation of the administrative and operational services costs of technical assistance between the Regular and Expanded Programme budgets and to advise the Council of the results of such consideration,

Taking note also of the views of the Advisory Committee on Administrative and Budgetary Questions set forth in its third report to the General Assembly (fourteenth session), *

Considering that as soon as possible, a final decision should be made on the question of the allocation of the administrative and operational services costs of the Expanded Programme of Technical Assistance between the Regular and Expanded Programme budgets,

1. Decides, as an interim solution, that allocations from the Expanded Programme Special Account for administrative and operational services costs of the participating organizations should be made in the form of lump sum amounts on the following basis:

- (a) For 1960, in amounts which should not exceed the corresponding 1959 allocations;
- (b) For 1961, in amounts which shall be half-way between the 1960 allocations and the equivalent of 12 per cent of the 1959 project allocations including local cost assessments;
- (c) For 1962, in amounts which shall be the equivalent of 12 per cent of the 1959 project allocations including local cost assessments;

2. Invites the participating organizations to continue to make efforts to reduce to the lowest possible level, compatible with efficient operation, the administrative and operational services costs of the Programme, and requests them to consider at the earliest practicable time the possibility of including any excess in their regular budgets if these costs cannot be covered entirely by the allocations referred to in 1(b) and (c) above;

3. Decides, as an exceptional measure, in view of the various financial periods of the organizations, that allocations to the Food and Agriculture Organization of the United Nations and the World Meteorological Organization for 1961 will be the same as for 1960;

4. Decides that in the case of the International Atomic Energy Agency the lump sum amount to be allocated for administrative and operational services costs in 1960 shall not exceed \$ US 84,000 and that for 1961 the lump sum amount shall be determined on the basis of the 1960 project allocations according to the terms of 1(b) above;

* A/4130.

5. Decides that any portion of funds allocated for administrative and operational services costs under this resolution but not required by a participating organization for this purpose, should be taken into account in establishing the programme planning share of the organization concerned;
6. Recognizes the need for some measure of flexibility in the application of paragraph 1 above to organizations with small budgets or small allocations for Expanded Programme activities and authorizes the Technical Assistance Board in preparing estimates for the Technical Assistance Committee to take this factor into account;
7. Decides to consider at its thirtieth session further financial arrangements for administrative and operational services costs.