

WORLD HEALTH
ORGANIZATION

EXECUTIVE BOARD

Fifteenth Session

PROGRAMME AND BUDGET

ORGANISATION MONDIALE
DE LA SANTÉEB15/AF/WP/28 ✓
28 January 1955

ORIGINAL: ENGLISH

RESTRICTEDDRAFT SUPPLEMENT TO PRELIMINARY REPORT OF THE
STANDING COMMITTEE ON ADMINISTRATION AND FINANCE

There is attached for the consideration of the Standing Committee on Administration and Finance a draft supplement to the Preliminary Report of the Committee to the Executive Board,¹ relating to the following matters which formed the subject of further examination by the Standing Committee in the light of the discussions in the Board on the substantive aspects:

1. Tuberculosis Research Office
2. Council for International Organizations of Medical Sciences
3. Publications Revolving Fund

¹ EB15/AF/3

SUPPLEMENT TO PRELIMINARY REPORT OF THE
STANDING COMMITTEE ON ADMINISTRATION AND FINANCE

1. Tuberculosis Research Office

In considering further the proposed programme and budget estimates for 1956 with particular reference to the Tuberculosis Research Office, Copenhagen, the Committee took note of the discussions in the Executive Board¹ on the substantive aspects which culminated in resolution EB15.R20 in which the Executive Board:

"1. REQUESTS that the Director-General prepare for the seventeenth session of the Board a complete study of how the programme of the Tuberculosis Research Office could best be adjusted to the general policies of the World Health Organization, giving special consideration to the possibilities of:

- (1) the work being continued by national governments or national institutions with technical and financial assistance from WHO,
- (2) the work being carried out in the same conditions as for other activities, in close relationship with the total programme of the Organization, taking due account of existing services at Headquarters, such as provided by the Divisions of Communicable Disease Services, Epidemiological and Health Statistical Services, and Therapeutic Substances.

2. REQUESTS the Director-General to report to the seventeenth session of the Board on any steps to implement the recommendations in this study and on how they are reflected in his proposed programme and budget for 1957, and

3. DECIDES that, pending the results of this study, no commitments should be made for new activities entailing additional expenditures for the Tuberculosis Research Office."

¹ EB15/Min/4 and EB15/Min/6

Accordingly the Committee gave special consideration to the implications upon the proposed programme and budget estimates for 1956 of the following activities of the Tuberculosis Research Office indicated in the report submitted by the Director-General to the Executive Board on the activities of the Office during 1953 and 1954:¹

"(1) Long range follow-up evaluation of tuberculosis morbidity and mortality after mass BCG vaccination."

"(15) Trials on ambulatory treatment of tuberculosis patients with new drugs."

In the course of its discussions, the Committee also considered the report on the seventh session of the UNICEF/WHO Joint Committee on Health Policy from which it was noted that the Joint Committee had recommended, inter alia, that a further comparative study should be undertaken of the organizational methods and of the cost of the mass campaigns, and that WHO and UNICEF should consider favourably a limited number of requests for pilot projects designed to give protection to the child population through the drug treatment of their immediate infective contacts. In this latter connexion it was noted that the Joint Committee had reported that recent developments in new drugs "appeared to leave little doubt that whatever the final curative effect might be, a lessening of the infectivity is obtained, at any rate temporarily".

With particular reference to the resolution of the Executive Board to the effect that, pending the results of the study to be undertaken by the Director-General "no commitments should be made for new activities entailing additional expenditures for the Tuberculosis Research Office", a member sought information regarding posts which were vacant at the present time. The Director-General replied that of the ten posts provided for under Group II - Tuberculosis Control Methods in Tropical and Under-developed Countries - five were filled and five were vacant on 31 December 1954, and that these latter posts comprised one medical officer (P.4), one research assistant (P.3), one medical officer (P.2), one

¹ EB15/31

scientist (P.1) and one statistician (P.1). In addition the post of Assistant Medical Director was vacant. However, it was not possible at this stage to indicate whether the present staff of five would be sufficient to cope with the work if the Tuberculosis Research Office is to be concentrated only on BCG activities in future.

Noting that the Board had been satisfied that the BCG work of the Tuberculosis Research Office was useful and should be continued, the Committee agreed that the question at issue was whether the programmes involving the use of new drugs were justified having regard to the fact that in many countries the value of the new drugs had already been proved. If further work in connexion with the use of new drugs was to be undertaken, it should not be done through the Tuberculosis Research Office.

As the Executive Board had requested the Director-General to make a study of how the programme of the Tuberculosis Research Office could best be adjusted to the general policies of WHO, and as the last paragraph of the resolution of the Executive Board implied that the Director-General should study the implications of the non-embarkation by the Tuberculosis Research Office on new activities, the Chairman of the Executive Board enquired as to the work which the incumbents would be required to undertake if the vacant posts were filled and if no new activities were to be started.

The Director-General replied that until he had had an opportunity to study the whole problem he could not give a final answer to the question. He had now to consider what was to be the direction of the future work of the Tuberculosis Research Office, how it could be fitted into the normal framework of the Organization, and how it could be carried out economically. In the meantime, it should be remembered that the number of posts relating to the Tuberculosis Research Office had been the same in the annual budgets of the Organization since 1951. As mentioned in Official Records No. 44, page 65, the principle existed that staff would be transferred among the various groups whenever necessary so as to make the best possible use of resources. There was consequently always the possibility of a certain number of posts related to a particular activity being vacant; it was difficult to ascertain exactly which

aspect of the Office's work was represented by a vacant post as changes were made according to the needs existing at any particular time.

The Director-General also indicated that the Organization had entered into no legal commitments with the governments concerned for the activities relating to the use of new drugs. He recalled, however, that negotiations with the Indian Government had been started in 1952 and that that Government had budgeted \$40,000 for the years 1954 and 1955 for such work in co-operation with WHO; further plans were being made through the appropriate regional office. In respect of Pakistan, a plan of operations had been prepared by that Government in collaboration with the Regional Director and a certain amount of discussion on such plans had already taken place. Both programmes were consequently in the phase of negotiation, such negotiations having been entered into on the basis of the programme of work for 1955 which had been presented to the Seventh World Health Assembly. This work could be carried on by the Organization in the normal way of rendering advisory services to governments.

A member proposed that the estimates of the Tuberculosis Research Office for 1956 be reduced by an amount equal to the costs related to the five vacant posts in Group II. In the course of the ensuing discussion members, however, expressed the view that, in accordance with the resolution adopted by the Board, the Director-General be given an opportunity to review the entire situation and also that at the time of the Eighth World Health Assembly he would be in a position to know better the financial requirements for carrying out the activities relating to the use of new drugs which might be requested by the Governments of India and Pakistan. It would therefore be premature to effect a reduction in the estimates of the Tuberculosis Research Office relating to the vacant posts, as these funds may be required to be transferred to the Appropriation Section for Advisory Services to be used to meet the requests under discussion with the Governments of India and Pakistan.

In reply to a question of a member whether the projects envisaged in India and Pakistan should not properly be dealt with by the appropriate regional offices rather than through the Department of Advisory Services at Headquarters, the Director-General explained that any transfer of funds that may be envisaged should not be interpreted as intended for use by the Headquarters Department concerned as opposed

to use in the field through the regional offices. It should rather be interpreted as to be used for such activities as may have to be initiated as a result of the present negotiations, whether in the form of a grant to national institutions, or in the form of field projects undertaken in accordance with the Organization's normal procedures for rendering advisory services to governments. The Committee's attention was further invited to the fact that, should the plans envisaged not be realized, there were many projects included in the Supplementary Programme (Annex IV, Official Records No. 58) for which such funds could be usefully expended.

After further extensive discussions, the Committee finally unanimously agreed upon the following expression of its views:

The Standing Committee,

Having studied the budgetary situation regarding the Tuberculosis Research Office in the light of the resolution of the Executive Board,

RECOMMENDS that the five vacant posts appearing in Official Records No. 58 under Group II on page 29 not be filled;

RECOGNIZING that arrangements for work in this field are under discussion with certain Governments,

The Committee

ASSUMES that by the time of the Eighth World Health Assembly the Director-General will be in a better position to give further information regarding the disposal of the funds released by the non-filling of these posts in the 1956 budget.

2. Council for International Organizations of Medical Sciences

In the light of the substantive discussions which had taken place in the Executive Board¹ when reviewing a report of the Director-General on the relationship with CIOMS (EB15/57), the Committee considered the budgetary aspects of this matter with particular reference to the provision proposed by the Director-General for 1956 (Official Records No. 58, pp. 38 and 47). It also gave some consideration to the financial arrangements in future years, i.e. subsequent to 1956, although it realised that this was not strictly within its terms of reference.

The amount of the grant to CIOMS included in the Director-General's Proposed Programme and Budget Estimates for 1956 is \$25,000, the same amount as that provided for in the 1955 Programme and Budget approved by the Seventh World Health Assembly.

In its discussions, the Committee took into account the following particularly relevant resolutions of the Health Assembly as well as the Agreement between UNESCO and WHO:²

(a) Resolution WHA2.5, in which the Second World Health Assembly approved principles for collaboration of WHO with CIOMS, providing, inter alia, "that arrangements for collaboration be reviewed every year and set up in accordance with the policy and budgetary appropriations of WHO, with a view to the Council becoming eventually financially independent"; and

(b) Resolution WHA2.6, (Co-ordination of International Congresses of Medical Sciences) in which the Second World Health Assembly decided "that UNESCO be consulted on any question of common interest in this field, in the spirit of Article 1 of the Agreement between UNESCO and WHO, each Organization being free to follow its own policy regarding relationship with non-governmental organizations".

¹ EB15/Min/4 and EB15/Min/5

² Handbook of Basic Documents, pp. 109-113

The Director-General, in providing the Committee with some background information, considered that a further reduction in the grant to CIOMS on a purely arbitrary basis would not be prudent. He suggested as a possible course of action a clear delimitation of the uses to which the WHO grant could be put, and that any amounts not used for the purposes so laid down be refunded to WHO in a similar way as was done in respect of the UNESCO grant. The limitations which might be imposed in addition to those set forth in resolution WHA2.5 might be:

- (a) That WHO should contribute towards the administrative costs of the Council no more than UNESCO and the General Fund of CIOMS, i.e. that WHO should not contribute more than one-third;
- (b) that no part of the WHO grant should be used to provide for the travelling expenses of delegates attending congresses;
- (c) that the WHO grant should not be used for fellowships or to finance post-graduate courses, which should be done under WHO's normal programme for fellowships; and
- (d) that WHO should reserve the right to approve lists of congresses in which it had particular interest and for which part of its grant could be used.

Such limitation of the use of the WHO grant could be applied beginning in 1956, and the Director-General further suggested that the amount provided in the Proposed Budget Estimates be authorised as the maximum size of the grant.

A member considered that the Director-General's proposal did not go far enough in achieving a reduction in the grant and questioned whether the grant to CIOMS was the most appropriate use of the Organization's funds at the present time. After some discussion, and having been informed by the Director-General of

the annual grants by WHO in the past to CIOMS, the Committee agreed to recommend to the Board that the grant for 1956 be reduced by \$5,000, which reduction, in the Committee's view, would have no serious effect.

A member proposed that, in addition to making this reduction to the grant for 1956, a schedule should be prepared for withdrawal of all financial support to CIOMS over a three-year period, bearing in mind the above quoted provision of resolution WHA2.5. While the Committee was of the opinion that such a proposal was not within its terms of reference, it nevertheless felt that the Board's attention should be invited to the question of financial relationship with CIOMS in the years subsequent to 1956.

In this connexion, the Committee realised the importance of consultation with UNESCO prior to any final decision on future financial support. A member proposed that the Director-General be requested to study this matter and consult with UNESCO, and to report to the seventeenth session of the Executive Board. The Committee unanimously approved of this suggestion and consequently recommends to the Executive Board that it request the Director-General to study the future policy of financial support to CIOMS, to consult with UNESCO, and to report to the seventeenth session of the Executive Board.

3. Publications Revolving Fund

Following the examination by the Executive Board¹ of the status of the Publications Revolving Fund and the purposes for which it was used as reflected in document EB15/69, the Standing Committee gave further consideration to the budgetary and financial aspects of the question. The Committee recalled that the Publications Revolving Fund was established by the First World Health Assembly "for the purpose of financing the cost of printing additional copies of WHO publications for sale". Subsequently, by resolution of the Sixth World Health Assembly, the Director-General was authorized to draw on the Fund "an amount not to exceed \$10,000 in 1954 to be used to give publicity to WHO publications, to improve the sale of such publications and to defray the costs of the post of Distribution and Sales Officer".

The Committee noted that provision for these costs, amounting to \$37,000 had been made in the Programme and Budget Estimates for 1955 as approved by the Seventh World Health Assembly. Noting, further, that the provision included in the Proposed Programme and Budget Estimates for 1956 in respect of these costs, as reflected in Official Records No. 58 (pp. 30, 31 and 32) was at the same level, the Committee addressed itself to the question as to whether the balance of the Fund as shown in Annex ...,² over and above the estimated amounts required for 1955 and 1956, should be used for other purposes, and to the size of the balance which the Fund should be allowed to carry. After providing for the above requirements of the operations of the Fund in 1955 and 1956, the Committee found that there would still remain a net balance of \$42,822. Accordingly, the Committee considered whether any portion of this net balance could be added to Miscellaneous Income in accordance with Resolution WHA1.92 of the First Health Assembly.

In the course of the discussions the question was raised as to the extent to which the fund had been depleted in 1954 through bills becoming due before income had been received.

¹ EB15/Min/5

² Appended. Number to be inserted when consolidating report.

The Director-General stated that in 1954 the Fund had never been depleted to a point which caused difficulties, and there had always been enough in hand to meet estimated needs.

Having heard a statement by the Director-General to the effect that no difficulties could be foreseen if the balance of approximately \$42,000 referred to above were withdrawn from the Fund and added to Miscellaneous Income, the Committee agreed to suggest to the Board that it recommend to the Eighth Health Assembly that the amount of \$40,000 be transferred from the Publications Revolving Fund to Miscellaneous Income for the current year. However, in this connexion the Committee wishes to draw attention to its recommendation to the Board contained in paragraph 2.5 of its preliminary report, to the effect that "consideration be given to the principle of reserving part of Casual Income instead of using the whole amount available each year to reduce the contributions of Member States".

During its discussions the attention of the Committee was invited to the part of the report of the Advisory Committee on Administrative and Budgetary Questions of the United Nations (Document A/2835) relating to the existence in various agencies of publications revolving funds which were not reflected in their normal budgets. The following is an extract of the relevant paragraph of the Report:

"16. In this connexion, the Advisory Committee notes that different arrangements exist in the various agencies as regards the publications programme. In the case of at least four of them such arrangements involve some kind of publications revolving fund and are either partially or wholly outside their normal budgets. Although there may be justification for a revolving fund to meet the direct costs of reprints of publications and films, the use of such funds, sometimes subsidized from the budget, to meet normal publication costs is not consistent with the concept of a complete and unified budget covering all operations of an organization. The Committee also noted that income from the sale of publications credited to the ordinary budget shows considerable variation among different agencies in relation to printing costs. Thus, ICAO shows a much higher rate of revenue from publications than any of the other agencies. The experience of ICAO in this regard would seem to offer considerable

scope for study by other agencies. The Administrative Committee on Co-ordination might wish to consider this matter as well as the question of a common approach to publications programmes."

The Committee noted that the above report did not make reference to the fact that as regards WHO, the operations of the Publications Revolving Fund have been reflected in the annual programme and budget for the past two years.

ANNEX

PUBLICATIONS REVOLVING FUND

Provisional Statement

(Expressed in US dollars)

		<u>Schedule</u>	
Balance brought forward - 1 January 1954			88,956
Income:			
International Certificates of Vaccination		20,384	
Personal Booklets		173	
Publications		<u>31,223</u>	<u>51,780</u>
			140,736
Expenditure:			
Printing:			
International Certificates of Vaccination	4,883		
Other prints and reprints for sale	6,117		
UN printing charges	<u>83</u>	11,083	
Sales promotion:			
Cost of catalogues and prospectuses	1,983		
Personal services	7,087	<u>9,070</u>	<u>20,153</u>
Balance carried forward to 1955			120,583
<u>Deduct</u>			
Unliquidated Obligations			<u>3,761</u>
	Available Balance		<u>116,822</u>

Note: From the above balance there has been appropriated \$37,000 for the 1955 Budget, leaving a net available balance of \$79,822.