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COMMITTEE ON ADMINISTRATION, FINANCE AND LEGAL MATTERS

PROVISIONAL MINUTES OF THE SECOND MEETING

Palais des Nations, Geneva

Friday, 11 May 1951, at 10.0 a.m.

CHAIRMAN: Professor G.A. CANAPERIA (ITALY)

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Note: Corrections to these provisional minutes should be submitted in writing to Mr. Richards, Room A.571 within 48 hours of their distribution or as soon as possible thereafter.

1. ADDITIONAL MEMBERS OF LEGAL SUB-COMMITTEE: Item 6.3 of the Agenda

The CHAIRMAN pointed out that after the previous meeting of the committee the New Zealand and Korean delegations had asked to be represented on the Legal Sub-Committee. In view of the principle under which all delegations requesting representation on the sub-committee were to be authorized to sit, he himself had granted the authorization to those two delegations. He asked the committee to approve his action.

Decision: Authorization was granted to the delegations of New Zealand and Korea to sit as members of the Legal Sub-Committee.

2. FIRST REPORT OF THE LEGAL SUB-COMMITTEE

The CHAIRMAN stated that there was an omission in the English text of the first report of the Legal Sub-Committee, and therefore asked that consideration of the report be deferred until the full text was at hand.

It was so agreed.

3. PROPOSAL OF THE DIRECTOR-GENERAL TO IMPROVE THE FINANCIAL POSITION: Item 6.6 of the Agenda (Official Records No. 33, p.5; Documents A4/21, A4/AFL/2)

Dr. GEAR, Chairman of the Executive Board, briefly reviewed the factors leading up to the Director-General's proposal that the Fourth World Health Assembly reverse the decision of the Second World Health Assembly, whereby the 1948 budgetary surplus was transferred to the Working Capital Fund, and that the amount of the surplus be placed in the suspense account established by the Third World Health Assembly. The Working Capital Fund had been created by the First

Health Assembly for 1948 and 1949 and had totalled \$1,650,000. A Working Capital Fund of approximately \$4,000,000 had been established at the Second World Health Assembly. The Committee on Administration, Finance and Legal Matters of the Third World Health Assembly had considered a proposal under which the budget surpluses for 1948, 1949 and 1950 would be placed in a suspense account. It had been decided to give the question further study, and the Executive Board had consequently considered the matter during the previous year and had adopted the resolution contained in paragraph 18 of Official Records No. 33 (EB7.R41). The object of the proposed transfer of budget surpluses to the Assembly Suspense Account was to cover the deficits of 1948 and 1949 and to pay the WHO commitments for the building extension. The Board therefore recommended that the Health Assembly adopt the draft resolution in paragraph 18. . . .

Mr. INGRAM (United States of America) drew the attention of the committee to the amendments to the Executive Board's resolution proposed by the delegation of the United States of America in document A4/AFL/2, stating that they were intended as drafting amendments and did not change the substance of the new resolution.

He wondered what would be the effect of the changes proposed in the Board's recommendation on the outstanding assessments against inactive Members.

Mr. SIEGEL, Secretary, stated that under the proposed resolution all arrears would be added together as a debt to the suspense account, and that the action had no effect of relieving those members of their indebtedness.

He proposed that paragraph 5 of the resolution be amended to read, "DEBITORS that the status of the Assembly Suspense Account should be revised by each Health Assembly, and", in order to make it consistent with the amendments proposed by the United States.

The CHAIRMAN then asked for the adoption of the resolution proposed in Official Records No. 33, paragraph 18, with the following amendments:

Paragraph 2 (1) should read as follows:

"to meet, from the suspense account, the cash deficits for the years 1948 and 1949 resulting from the non-payment of contributions by certain Members, and..."

Paragraph 3 (2) should read as follows:

"to authorize, by using \$233,645 from the suspense account, the establishment of a building fund, which shall remain available until the completion of the building operations and liquidation of all obligations, notwithstanding the provisions of the Financial Regulations, and..."

The following sentence should be added to paragraph 4:

"... and requests the Director-General to place these surpluses in the suspense account established by the Third World Health Assembly, to be known as the Assembly Suspense Account,"

Paragraph 5 should read as follows:

"Decides that the status of the Assembly Suspense Account should be reviewed by each Health Assembly, and..."

Decision: The resolution submitted in paragraph 18 of Official Records No. 33, as amended by the proposals of the delegation of the United States of America and of the Secretary, was adopted.

4. POSTPONEMENT OF CERTAIN ITEMS

The CHAIRMAN drew attention to a proposal by the delegation of the United States of America to postpone consideration of the following items until a later

meeting: Scale of assessment for 1952 (item 6.5.3.2), Programme and budget for 1952 (item 6.5.4), Form of presentation of programme and budget (item 6.5).

It was so agreed.

5. ADDITIONAL FUNDS FOR THE BUDGET OF WHO: Item 6.6.4 of the Agenda (Official Records No. 32, p.38)

The CHAIRMAN drew the attention of the committee to the resolution recommended for adoption by the Fourth World Health Assembly by the Executive Board in Official Records No. 32, p.38 (EB7.R89).

Dr. EVANG (Norway) asked for clarification of the phrase "the imposition of a tax on certain products", contained in paragraph (1) of the proposed resolution.

Dr. GER stated that a suggestion had been made at the last session of the Executive Board that the Director-General study the possibility of taxes being imposed by such countries as wished to do so, on products chosen by the individual governments, the revenue from which might be payable in part or in whole to WHO.

The DIRECTOR-GENERAL pointed out that the matter had been much discussed and that the question of whether such a tax was practicable was extremely controversial. However, the Executive Board had been assured that certain possibilities existed, and he had accordingly stated that he would be willing to explore such possibilities with any interested governments.

Dr. PADUA (Philippines) wondered exactly what was meant by the phrase "certain products". Did it, for instance, mean the principal products of a given country?

Dr. GEAR stated that no particular products were implied, but that each country could study its own internal situation and impose what taxes it thought best.

Dr. van de CALSEYDE (Belgium) recalled the proposal put forward by Professor De Laet at the previous session of the Executive Board. After citing the example of certain countries which had ceased to tax imported insecticides, Professor De Laet had proposed that producers increase the price of insecticides very slightly, so that although there would be no appreciable rise in cost, quite considerable additional funds would become available to WHO. He stressed that he was merely giving an example of the type of product that might be taxed and was in no way making a definite proposal.

The CHAIRMAN then asked for the adoption of the proposed resolution.

Decision: The draft resolution submitted in Official Records No.32, p.38 (EB8.R89) was adopted.

6. PROVISION BY GOVERNMENTS OF FUNDS FOR FIELD SERVICE ALLOWANCE OF WHO STAFF: Item 6.6.5 (Official Records No.32, p.23, Document A4/17)

The CHAIRMAN drew attention to the draft resolution submitted in EB7 R58 (page 23 of Official Records No.32).

Dr. GONZALEZ (Venezuela) stated that while he was generally in agreement with the wording of the proposed resolution he thought that it might be better not to include any reference to the willingness of governments to provide funds for field service allowances; it would be better to state that any country which could supply the necessary funds should do so. He therefore proposed

that paragraph 1 of the proposed resolution should read, "DECIDES that governments should be required to provide funds to pay field service allowances of staff of the Organization only in circumstances where they are able to do so".

Mr. INGRAM (United States of America) pointed out that the Technical Assistance Board and the Technical Assistance Committee had already adjusted their procedure according to the principle enumerated in paragraph 1. He therefore proposed that paragraph 3 be deleted as redundant, and that a clause be added to paragraph 2 reading, "and notes with approval that the Technical Assistance Board and the Technical Assistance Committee have adopted this principle with respect to that programme".

Mr. SHAW (Australia) asked whether UNICEF had not adopted the principle by which governments were to pay a large part of the costs of local projects.

The SECRETARY replied that UNICEF no longer had the exact provisions to which he thought Mr. Shaw referred.

Mr. TALJAARD (Union of South Africa) asked whether an indication could be given of the conditions under which recipient governments should be required to pay for part of the costs of projects.

The SECRETARY pointed out that those conditions were given in paragraphs 2 and 3 of document A4/17 and stressed that there was an important difference between the resolution proposed for adoption by the Fourth World Health Assembly and the resolution of the Technical Assistance Committee. The resolution stated that governments should provide funds for field service

allowances only where they were willing and able to do so; the Technical Assistance Committee, on the other hand, would require recipient governments to bear the cost of lodgings, save in exceptional circumstances, when they might present their case to the Technical Assistance Board. He reminded the committee that when that statement had been made the proposed resolution of the Executive Board had been known to the Technical Assistance Committee.

Mr. TALJAARD (Union of South Africa) wondered how it would be decided whether a government was able to provide the necessary funds.

The SECRETARY remarked that it was not possible for the Director-General to investigate the economic and financial situation of every country in order to assess its ability to pay. That question would have to be determined by another means.

Dr. HASHEM (Egypt) proposed that the phrase, "or certain legislative restrictions" be deleted from the second clause of the resolution since he felt that any government seeking assistance should abrogate any restrictive legislation in order that it might bear its fair share of the expenses.

Dr. EVANG (Norway) felt it important to distinguish between attempting to set up international legislation on the payment of expenses and attempting to find a way in which field services could be effectively undertaken. He therefore suggested that the second paragraph of the preamble be amended to read simply, "Noting that some governments find themselves unable to comply with this requirement"

Dr. van den BERG (Netherlands) suggested that an important controversial point existed between the opinions expressed by the delegates of Norway and Egypt. He agreed with the delegate of Egypt that the economic difficulties of individual countries must be recognized but that national legislation should not restrict the work of international organizations

Dr. JAFAR (Pakistan) said that many countries in undeveloped areas objected to the large subsistence allowance they were required to pay to visiting WHO experts, as this sum was normally out of all proportion to the salaries of local government officials. The seemingly unjustified difference between the salaries and allowances of United Nations employees and those of even high governmental officials caused misunderstanding and lack of co-operation. In addition, the responsible member of the government found himself in a most embarrassing position when called upon to justify such high payments before his own parliament. He requested a definition of the items for which a field allowance was provided and asked whether there was a limit to the period over which it was paid.

Mr. INGRAM (United States of America) said that in view of the Secretary's remarks he would now like to revise his proposed amendment to paragraph 2 of the resolution to read as follows:

"NOTES with approval that the Technical Assistance Board and the Technical Assistance Committee have relaxed somewhat the requirements that governments provide the funds to pay field service allowances with respect to the technical assistance programme".

The SECRETARY explained that conditions of service for personnel in WHO were much the same as in the technical assistance programme. A distinction was made between short-term - i.e. less than one year - and long-term contracts - i.e. anything over one year. In the former case the Organization accepted no responsibility for transportation of the staff member's family and, on the presumption that he would therefore have to maintain two homes, he was paid the full subsistence rate. This comprised the daily estimated cost of his food and lodging plus 25% of this amount for incidentals. In the case of personnel with long-term contracts, family transportation was paid by the Organization, the staff member receiving an installation allowance for one month and then free lodging only.

Dr. KHADDOURI (Iraq) fully supported the statement of Dr. Jafar.

Mrs. BIEMOND (Indonesia) also strongly supported Dr. Jafar's remarks and added that in her country the subsistence allowance of a WHO official brought his total remuneration to a level higher than that of the Minister himself. In addition her Government had received a circular letter outlining the type of accommodation and office equipment which should be put at the disposal of visiting WHO officials, and it was felt that some of the demands made were excessive.

Dr. JAFAR (Pakistan) said that he knew of definite examples where governments had refrained from seeking WHO health assistance since this assistance proved so costly. Not only had they to meet the excessive subsistence allowance payments but were also expected to make income and import tax concessions. Since at least one other specialized agency - UNICEF - required

payment of a lodging allowance only he did not understand why WHO should maintain a full subsistence allowance. He fully supported Mrs. Biemond's remarks with regard to office accommodation and equipment.

After Mr. BRADY (Ireland) had suggested that the discussion was becoming too detailed and irrelevant, Mr. NALLIAH (Ceylon) insisted that the matter was of the utmost relevancy since it was essential to fix a scale of allowances in conformity with the economic position of individual countries. He suggested that inviting governments should only be required to pay the basic lodging allowance and that the cost of any supplementary allowance should be borne by WHO.

Mr. TALJAARD (Union of South Africa) reaffirmed the necessity for a clear definition in the resolution of the exact financial obligations of inviting governments and suggested the establishment of a working group to draft a revised resolution.

The SECRETARY reminded the committee that under a decision of the First World Health Assembly recipient governments would be responsible for all expenses which could be met in local currency. This decision had been confirmed by the Second World Health Assembly. To meet difficulties which had been raised in this respect by certain governments the Executive Board after due consideration had proposed adoption of the resolution under discussion. The Organization was, in fact, paying the same and sometimes slightly lower rates of allowance as other specialized agencies. He felt that it was essential to achieve the highest degree of co-ordination among all specialized agencies in the fields of both programme and administration. With regard to the circular

on accommodation, such a letter had indeed been sent but contained only an indication of the articles to be provided and was not in any way **mandatory**.

Dr. PHAN HUY DAN (Viet Nam) proposed the substitution of the words, "where they are willing and able to do so" in item 1 of the resolution by the phrase: "where they deem it possible".

Sir DHIREN MITRA (India) felt that there were two problems involved:

- (a) whether the subsistence allowance laid down by WHO was reasonable and
- (b) whether local governments should be required to pay the full WHO scale.

The first point did not arise in the present discussion and with regard to (b) he suggested that governments be required to contribute to funds for the field subsistence allowances of WHO personnel on a scale comparable with the economic position of the country in question, any payment in excess of this amount being made by WHO. He proposed amendment of the resolution to this effect.

Dr. van den BERG (Netherlands) appreciated the difficulties of the governments concerned and although he agreed with the Secretary on the policy of uniformity with the United Nations he felt that an exception might have to be made on this point. He therefore supported Mr. Taljaard's proposal to appoint a working group to reach an acceptable solution.

Dr. JAFAR (Pakistan) said governments were not seeking to avoid their responsibility for meeting all expenses payable in local currencies but that they merely objected to the excessively high level of WHO subsistence allowances. They would be willing to accept the solution of paying a basic lodging

allowance or the system previously adopted by UNICEF, whereby the full subsistence allowance was paid and the Organization then deducted a sum from the staff member's salary as a contribution towards the budget. Governments did not object to this principle since they felt that some of the money paid by them in subsistence allowances was recuperated by the Organization for work on its programme. He further pointed out that the TAB had not laid down the rate at which subsistence allowances must be paid (document A4/72).

The meeting rose at 11.58 a.m.