

WORLD HEALTH  
ORGANIZATIONORGANISATION MONDIALE  
DE LA SANTÉFOURTH WORLD HEALTH ASSEMBLYA4/AFL/Min/7  
15 May 1951

ORIGINAL: ENGLISH

## COMMITTEE ON ADMINISTRATION, FINANCE AND LEGAL MATTERS

## PROVISIONAL MINUTES OF THE SEVENTH MEETING

Palais des Nations, GenevaTuesday, 15 May 1951, at 10 a.m.

CHAIRMAN: Professor G.A. CANAPERIA (Italy)

CONTENTS

1. Draft First Report of the Committee on Administration, Finance and Legal Matters to the Joint Meeting of the Committee on Programme and the Committee on Administration, Finance and Legal Matters
2. Form of Presentation of Programme and Budget
3. Financial Regulations: Report of the Director-General
4. Staff Regulations: Report of the Director-General
5. Staff Rules: Report of the Director-General in accordance with Staff Regulation 32
6. Remission to the Legal Sub-Committee of three Items from the Agenda of the Committee on Programme

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. DRAFT FIRST REPORT OF THE COMMITTEE ON ADMINISTRATION, FINANCE AND LEGAL MATTERS TO THE JOINT MEETING OF THE COMMITTEE ON PROGRAMME AND THE COMMITTEE ON ADMINISTRATION, FINANCE AND LEGAL MATTERS (Document A4/AFL/14)

The CHAIRMAN asked Dr. Bravo (Rapporteur) to read the draft report to the committee. He then invited comments.

Mr. INGRAM (United States of America) believed that the second paragraph of the report would more correctly reflect the existing situation if the final sentence of the paragraph were amended to read: "Others also indicated that certain responsibilities of the organization previously financed from UNICEF funds, at the request of governments, now would have to be financed from regular funds and technical assistance funds."

Mr. SIEGEL, Secretary, agreed that such an amendment would be appropriate.

Decision: There being no objection, the United States amendment was adopted.

M. FOESSEL (France) called attention to paragraph 150 of the Executive Board's report (Official Records No. 33). It did not seem to him compatible with the reference contained under sub-paragraph (e) of the draft report to the necessity of providing for rising costs of supplies, equipment and salaries.

The SECRETARY said that although the Executive Board had, in approving the new salary and allowances scheme of the United Nations and other international organizations with respect to WHO, pointed out that an economy of \$70,000 would be effected in 1952, that would be due not to any reduction in salaries, which had in fact been increased in several instances, but to the elimination of some of the provisions for allowances. Salary costs would continue to rise as the

Executive Board had pointed out in paragraph 20 (b) of its report. He believed therefore that the committee's draft report was accurate as it stood.

Mr. SHAW (Australia) suggested the addition of a footnote to the first sentence of the third paragraph of the draft report giving the reference numbers of the documents containing the various resolutions tabled.

It was so agreed.

Decision: There being no objection, the draft first report of the Committee on Administration, Finance and Legal Matters to the joint meeting of the Committee on Programme and the Committee on Administration, Finance and Legal Matters was adopted as amended.

2. FORM OF PRESENTATION OF PROGRAMME AND BUDGET: Item 6.5 of the Agenda (Official Records No.28, (WHA3.107) p.63; Official Records No.29 (EB6.R20), p.10 and Annex 6; Official Records No. 31; Document A4/AFL/13) (continuation)

The CHAIRMAN noted that the subject had already been discussed at the previous meeting and called attention to the proposal submitted by the Swedish delegation (document A4/AFL/13).

Decision: There being no objection, the resolution proposed by the Swedish delegation was adopted.

3. FINANCIAL REGULATIONS: REPORT OF THE DIRECTOR-GENERAL: Item 6.6.2 of the Agenda (Official Records No. 28, (WHA3.111) p.66; Official Records No. 33, (EB7/R.38), pp.22-23 and Annex 6)

The CHAIRMAN called the Committee's attention to the resolution contained in paragraph 101 of the Executive Board's Report (Official Records No.33).

M. FOESSEL (France) said in connexion with Annex 6, Article IV - Appropriations, paragraph 4.3, that a period of twelve months would appear too long since it thus became difficult to have a clear picture of the situation at the end of each financial year.

The SECRETARY replied that the question had given rise to considerable discussion in the Sub-Committee of the Administrative Committee on Co-ordination which had developed the recommended regulations. The twelve-month period was intended to provide a reasonable time during which the Organization could receive and pay its bills. Under that arrangement, the situation might arise that bills were not submitted in time. In that case, they were charged to the appropriations of the fiscal year in which the bill was received. WHO and certain other agencies had expressed the preference that the present two-year period should be maintained. However, since the majority of specialized agencies were in favour of the shorter period, WHO had agreed to the regulations contained under Article IV.

M. FOESSEL (France) accepted the Secretary's explanation.

Decision: There being no objection, the resolution in paragraph 101 of the Executive Board's report was adopted.

4. STAFF REGULATIONS: REPORT OF THE DIRECTOR-GENERAL; Item 6.4.1 of the Agenda (Official Records No. 28, (WHL3.93) p.57; Official Records No.33, (EB7/R.31), p.34)

The CHAIRMAN called attention to the resolution contained in paragraph 154 of the Executive Board's report (Official Records No.33).

Mr. INGRAM (United States of America) commended the drafting of the Staff Regulations in that they conformed closely with those of the United Nations.

On one point, however, WHO Staff Regulations differed from the procedure followed in the United Nations, since in the United Nations the salaries and related allowances of high-ranking officials were subject to the approval of the General Assembly, whereas in the proposed Staff Regulations of WHO, contained as Appendix 1 to Annex 17, Official Records No. 33, the salaries of the Deputy Director-General, Assistant Directors-General and Regional Directors were to be determined by the Director-General in agreement with the Executive Board.

It was true that no such body as the Executive Board existed in the United Nations. However, in fairness to the Executive Board itself, which was called upon to maintain a close working relationship with the officials in question, and particularly in view of the fact that decisions in that respect were sufficiently important to warrant their being made by representatives of governments, he proposed that the Staff Regulations should be amended on that point to conform with United Nations procedure. He suggested therefore that paragraph 3.1 of Appendix 1 to Annex 17 should read as follows: "The salaries for the Deputy Director-General, Assistant Directors-General and Regional Directors shall be determined by the World Health Assembly on the recommendation of the Director-General and with the advice of the Executive Board." Such a course of action would of course not be put into effect until the next Health Assembly.

M. RUEDI (Switzerland) requested information on the sense of the word "periodically" in Article V, paragraph 5.1.

The SECRETARY replied that WHO had been following general United Nations policy on that point. At present, staff members were entitled to home leave

every two years. It had been considered preferable that the specific period of time should be stated in the Staff Rules rather than in the Regulations.

Replying to points raised by Mr. BOUCHER (United Kingdom), the Secretary stated that representations made jointly by members of the staff of some of the international organizations had been considered at the meeting of the Consultative Committee on Administrative Questions of the Administrative Committee on Co-ordination held shortly before the Health Assembly. That committee had decided to maintain the position taken the previous year with regard to the Staff Regulations.

In connexion with the present status of the United Nations Staff Regulations, he said that the UN Advisory Committee on Administrative and Budgetary Questions had already begun its study of the Regulations and would submit its recommendations to the next General Assembly. The Advisory Committee had not availed itself of the opportunity of having a WHO representative present during its discussion, although WHO had, in accordance with the request of the Executive Board, made a request to that effect. He believed that the resolution on the Staff Regulations should be adopted at the present meeting and that any possible modification which might become desirable following a decision taken at the forthcoming General Assembly could be considered at the Fifth World Health Assembly.

Mr. SHAW (Australia) announced that his delegation would support the United States amendment to Article III, paragraph 3.1, on salaries and related allowances.

Following the point raised by the representative of Switzerland, he suggested that Article V should be amended so as to include clear provision that home leave should be taken every three years instead of every two years as at present.

In connexion with the differential rate for salaries in Geneva referred to in paragraphs 152 and 153 of the Executive Board's report, he expressed the view that

such a differential should, in the interests of uniformity, be applied to the Staff of WHO as well as to United Nations staff members, thus effecting an economy of \$70,000.

He noted that the UN Advisory Committee had not completed codifying the Staff Regulations. He recommended therefore that they should be adopted on a provisional basis until a formal decision could be taken on them the following year.

M. FOESSEL (France) proposed that in Article III, paragraph 3.3 relating to salary differentials, the word "shall" should be substituted for the word "may". He believed that the application of a minus 5% differential was justified by the fact that, as shown in the national financial statistics published by the International Monetary Fund in March of the current year, the cost of living had risen correspondingly less in Switzerland than in the USA.

The SECRETARY proposed that paragraph 3.3 be amended to include a reference to the fact that a salary differential would only be applicable to salaries of international staff on the basis of cost of living of the staff members concerned, and not to local staff members whose salaries were set in scales based on prevailing local rates.

Decision: There being no objection, the Secretary's amendment was adopted.

Mr. TALJAARD (Union of South Africa) stated that although he was in favour of general conformity with United Nations Staff Regulations, the highly technical considerations governing the appointment of staff should be borne in mind before any decision was taken regarding the United States amendment on salaries and related allowances. Moreover, the Executive Board was qualified to deal with executive and administrative matters. He wondered whether it was altogether desirable to amend that paragraph in the Regulations.

Mr. INGRAM (United States of America) believed that, whatever their nature, the ruling considerations should be determined by the governments concerned.

The CHAIRMAN put the United States amendment to Article III, paragraph 3.1 to the vote.

Decision: The United States amendment was adopted unanimously.

The CHAIRMAN stated that it would be preferable to postpone a decision on the question of salary differentials and the frequency of home leave until the next item on the agenda was considered.

It was so agreed.

Mr. MASON (New Zealand) supported the Australian proposal to adopt the Executive Board's resolution on the Staff Regulations on a provisional basis since much additional information would become available at the Fifth World Health Assembly.

The SECRETARY pointed out that a forthcoming Health Assembly would always have the authority to revise any decision taken in the light of new considerations.

Dr. EVANG (Norway) agreed with the Secretary. Moreover, he felt most strongly that international personnel should have a greater sense of security of tenure in their appointments. Otherwise it would become difficult for the Organization to obtain the services of the most highly-qualified staff. He was therefore opposed to any specific mention of the provisional nature of the resolution.

The CHAIRMAN supported that view.

Decision: There being no objection, the draft resolution on Staff Regulations recommended in paragraph 154 of the Executive Board's report was adopted, on the understanding that it was open to revision by the Fifth World Health Assembly.

5. STAFF RULES: REPORT OF THE DIRECTOR-GENERAL IN ACCORDANCE WITH STAFF REGULATION 32: Item 6.4.2 of the Agenda (Official Records No.33, p.34)

Application of minus 5% differential to staff of WHO

The CHAIRMAN invited comments on the question, raised by the Australian delegation, of the resolution adopted by the Executive Board and set out in paragraph 153 of Official Records No.33.

Dr. van den BERG (Netherlands), referring to sub-paragraph 3 of the resolution, wondered whether the request had been followed by any results.

The SECRETARY explained that, with regard to the cost of living in Geneva, the Director-General had complied with the request of the Executive Board and a survey was at present being conducted, although the results would not be known until after the end of the present Health Assembly. As to other cities, it had been agreed that surveys would be carried out jointly by the United Nations and the specialized agencies as required.

In reply to a question put by the United Kingdom delegate, he confirmed that both the United Nations and the International Labour Organization had decided to apply a minus 5% differential on 75% of salaries in Geneva.

It had been at its first session, in 1948, that the Executive Board had first had to consider whether the minus 5% differential applied at that time by the United Nations to the salaries of its staff in Geneva should also be applied by WHO. It had been decided that, in view of fluctuations in the cost of living throughout the world, salary differentials of less than 10% should not be applied,

and that there was at that time no real evidence to warrant any differential as between the city of New York and the city of Geneva (such figures as had been quoted earlier in the meeting by the French delegate applied to the whole of Switzerland and the whole of the United States of America).

The question had been raised in Committee V of the United Nations General Assembly the same year and he had appeared to explain the Executive Board's decision. He did not know what effect his statement had had, but a few weeks later the General Assembly had decided to apply a 5% cost of living bonus to offset the minus 5% differential.

At its last session, the UN General Assembly had had before it a report of the United Nations Advisory Committee on Administrative and Budgetary Questions recommending the general application of the minus 5% differential in Geneva. The Chairman of the Advisory Committee, asked to explain before the Fifth Committee the reasons for the recommendation, had admitted that it had no scientific basis. Apparently there was merely a feeling in the Advisory Committee that there should be a differential.

The fact was that the last scientific survey, conducted in 1949, on the cost of living in New York as against Geneva for the staff members concerned had shown that the cost was 3% higher in the latter city than in the former.

Mr. CALDERON PUIG (Mexico) feared that it might appear paradoxical that his delegation, which was opposed to any increase in the contributions of Member States to WHO, should defend the resolution in question. Nevertheless, it was very difficult to determine the true difference in the cost of living in New York and Geneva, and without any certain data he felt that the Organization should consider seriously whether the saving effected by applying the differential, however desirable, would be sufficient to offset the harm to a staff which was

and must be of the highest quality. He was therefore in favour of waiting for the results of the survey undertaken and of adopting the resolution with the addition of a fourth sub-paragraph reading:

"DECIDES that this Resolution shall be reconsidered by the Fifth World Health Assembly."

The CHAIRMAN observed that the resolution in question was a resolution of the Executive Board and was not for submission to the Health Assembly.

Mr. INGRAM (United States of America) thanked the Secretary for his explanation, but still could not see how the problem of different salary scales for members of different international governmental organizations in Geneva was to be solved. Even after the results of the survey were made known the difference might persist if WHO did not accept them; and if, as was quite possible, ILO also rejected them there might be yet a third different scale. If the United Nations felt that a differential of as little as 5% was appropriate, then WHO should also apply it. He would therefore submit a resolution recommending its application as from 1 July 1951.

Dr. van den BERG (Netherlands) thought that it was generally agreed in the committee that if the results of the survey eventually showed that the cost of living for the staff concerned was really higher in New York than in Geneva then a minus differential should be applied by WHO as by the other organizations. The committee could therefore either adopt the United States suggestion and provide that if after 1 July, when the results of the survey would certainly be available, the differential was still applied by the United Nations it should also be applied by WHO; or take no decision but defer the question till the next Health Assembly; recommend that the Executive Board be instructed to apply the

differential if it seemed justified by the results of the survey.

Dr. HOJER (Sweden) was sure that the Executive Board would not require instructions to take appropriate action if and when it appeared that the differential was justified.

Mr. INGRAM (United States of America) was disturbed at the suggestion that it should be for WHO to decide on the application of the differential the following year or any other year. The United Nations General Assembly met in the autumn and the World Health Assembly in the spring; with a six months gap between independent decisions of the two bodies uniformity would never be attained. WHO should agree to adopt the differential applied by the United Nations, though he would have no objection if the committee wished to provide that that action should be taken when the Executive Board thought it feasible.

The DIRECTOR-GENERAL recalled that from its inception WHO had decided to apply in the matter of staff and other administrative practices, the same principles as the United Nations wherever it seemed reasonable, but there was no intent to follow slavishly whatever the United Nations might decide. In the very few cases where WHO had found it impossible to comply with United Nations administrative decisions its objection had primarily been not to results of such decisions but to the bases on which they had been taken. In the present case there had been no adequate survey of comparative living costs. The application of the differential had caused great unrest among the United Nations and ILO staffs, who would be far from comforted, but on the contrary discouraged, if WHO were also to apply it without adequate evidence that it was justified.

The Executive Board would meet again in June 1951 and January 1952 and would be perfectly ready to make any additions or reductions of salary which seemed

justified by real evidence, but the sort of opinion expressed by the Advisory Committee mentioned by the Secretary did not constitute grounds for action.

In short, there was no scientific evidence available except that obtained some years before, which showed that the cost of living in Geneva was higher than in New York.

Mr. TALJAARD (Union of South Africa) wondered whether there was any evidence of reduction in the cost of living in Geneva as compared with New York since 1949.

The SECRETARY, though he had no documentary evidence before him at the moment, assured the delegation of the Union of South Africa that the cost of living in Geneva was not lower in 1951 than in 1949.

M. FOESSEL (France) did not believe that the committee could question the scientific value of the surveys conducted by the International Monetary Fund. The Fund's Statistical Bulletin indicated movements in the cost of living in Switzerland and the necessary data could not presumably have been obtained without surveys of the cost of living in all the larger towns of the country. Furthermore, he could not see why it should be necessary to wait several months for information as to the cost of living in Geneva on 31 December 1950. There were surely statistical services which could supply that information from month to month.

Mr. INGRAM (United States of America) did not wish to engage in a debate with the Director-General on the feeling among the United Nations staff as to the application of the differential, but he was certain that any prolonged difference in treatment between themselves and the staff of WHO would be unpopular.

He also wished to make it clear that he was not concerned with the budgetary effect of the application of a minus 5% differential. What mattered was that all the organizations in question should apply the same differential, even if it was plus 10%, as it might well become with the present rise in the cost of living. He therefore wished formally to propose the following resolution:

The World Health Assembly

ADOPTS the principle that the cost of living differential of the World Health Organization shall be the cost of living differential applied to the staff of the United Nations, and instructs the Executive Board to put this differential into effect at the earliest possible moment.

Mr. LETHBRIDGE (United Nations) thought that the real question at issue was not whether there was sufficient scientific evidence for the application of the differential but whether WHO intended to follow the practice of the United Nations. Under the new salary scheme applied from 1 January 1951 many staff members of WHO had received salary increases of \$400 a year by the incorporation of the New York cost of living bonus in the base salaries. There seemed no valid reason for adopting the base salaries and not the differential.

It was agreed, at the CHAIRMAN'S suggestion, that the discussion be resumed at the following meeting.

6. REMISSION TO THE LEGAL SUB-COMMITTEE OF THREE ITEMS FROM THE AGENDA OF THE COMMITTEE ON PROGRAMME

The CHAIRMAN announced that the Committee on Programme had referred items 5.7, 5.14 and 5.22 of its agenda to the Committee for consideration by the Legal Sub-Committee. He suggested that those items be immediately referred to the Legal Sub-Committee for consideration at its meeting the following morning.

It was so agreed

The meeting rose at 12.5 p.m.