



COMMITTEE ON ADMINISTRATION, FINANCE AND LEGAL MATTERS

PROVISIONAL MINUTES OF THE SECOND MEETING

Palais des Nations, Geneva
Monday, 9 May 1966, at 9.30 a.m.

CHAIRMAN: Sir William REFSHAUGE (Australia)

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1. REVIEW OF THE FINANCIAL POSITION OF THE ORGANIZATION: Item 3.8 of the Agenda (Document AL9/AFL/10) (continued)

The CHAIRMAN invited comments on the Organization's financial position, as reported on at the first meeting by the Assistant Director-General (see document AL9/AFL/10).

Mr de CONINCK (Belgium) said he was glad to note, from the Assistant Director-General's lucid statement, that the Organization's financial position continued to be sound. The collection of contributions for 1965 had come close to the excellent figure attained for the previous year and, if all Member States would endeavour to settle outstanding arrears and meet their obligations, the position would be perfect.

His delegation had been relieved to learn that no additional assessment would be required for 1966, casual income being sufficient to cover the supplementary estimates.

The Assistant Director-General had given an excellent description of the new headquarters building and in that connexion had referred to Parkinson's law; it was to be hoped that in so far as staffing was concerned that law would never be applied; there had already been some pessimistic rumours about accommodation possibly proving inadequate for the future.

The justifiable pride with which the announcement had been made that the new electronic computer would shortly come into service was entirely understandable.

Dr CAYLA (France) said he was glad to note that the Organization's financial position remained sound. In so far as the budget was concerned Member States might be divided into four categories; countries in the first group were fortunate enough

to have no difficulty either in voting the budget or in paying their contributions; countries in the second group, being perhaps more generous than foresighted, were able to vote the budget without demur but had difficulty in the payment of contributions; countries in the third group, which included his own, were in the somewhat unhappy position of having problems and doubts at the time of voting the budget, although not at present in meeting their assessments. Such countries were not lacking in generosity but were merely foresighted and feared that most Member States fell into the fourth category and faced difficulties both when voting the budget and in the payment of contributions. The third group consequently was far from feeling as confident as the Assistant Director-General that the Organization must either continue to grow or die. A disorderly growth could give rise to malignant tumours and even an orderly growth leading to gigantism was certainly not desirable. It was therefore to be hoped that the Health Assembly would preclude such dangers by providing for a moderate, orderly growth in the Organization's work. In voting the budget, it should bear in mind that to attempt too much might be to accomplish nothing.

Mr BURKE (Jamaica) expressed appreciation for the excellent presentation of the budget and for the helpful accompanying documents. The Assistant Director-General had once again given the Committee a clear review of the Organization's financial situation. There was no doubt that the difficulties of framing the WHO budget would be intensified as greater progress was made in the eradication of communicable disease and as the expectation of life throughout the world was further prolonged. In future years, many difficult decisions on priorities would need to be taken.

In that connexion he emphasized the importance of fellowships. No one could disagree with the Director-General's statement (at the third plenary meeting) that the only real way to meet the shortage of medical staff was to develop national training facilities and that it was the duty of the community of nations to co-operate with a view to enabling the inhabitants of all countries to have the services of fully-qualified physicians and nurses to which they were entitled. The provision for fellowships should be given increasing prominence in future budgets. Requests for additional fellowships clearly indicated that governments had made the best possible use of the valuable advice previously obtained from headquarters and consultants in the field; that they were now ready and willing to work out training programmes for their own people; and that the capacity of developing countries to absorb external assistance was constantly increasing. It was through fellowships that such countries would normally expect to train teaching staff for the development of their training facilities.

A second, budgetary, reason existed in support of increased attention to fellowships, namely, that the fellowships did not represent the total cost of training for the officers or auxiliary personnel concerned. For every fellowship granted the government concerned made a contribution by way of the officer's full-time salary and if need be family allowances. For instance, the amount set aside by his own government each year for training purposes, admittedly covering the whole gamut of technical, administrative, and professional personnel, amounted to over half-a-million dollars.

He expressed the hope that the award of fellowships related to countries' major needs would be given full consideration in the future by the Health Assembly and Executive Board.

Mr Al-HIJJI (Kuwait) said his delegation had studied with interest the statement made by the Assistant Director-General on the Organization's financial position. It was gratifying that the past record of financial soundness was being maintained and that the Member States in arrears were endeavouring to settle outstanding contributions. It was to be hoped that arrears would drop to zero in the future.

His delegation welcomed the two new Members, the Maldives Islands and Singapore.

A debt of gratitude was owed to the Standing Committee on Headquarters Accommodation and to the Director-General and all concerned for the hard work that had gone into the planning for the new headquarters building. As the Director-General had said at the inauguration ceremony, the building was a symbol of WHO's determination to concentrate its energies, resources and knowledge to help the countries of the world in providing a healthy, prosperous and peaceful future for the generations to come. It was to be hoped that every Member State would join in translating that determination into action. Justifiable pride could be taken in the well-planned building and, in particular, in the Executive Board room. His delegation hoped that the electronic computer would soon be put into operation and that savings on staff would result.

He hoped that the Director-General and the Executive Board would give more consideration to the use of Arabic as one of the main working languages in the Eastern Mediterranean Region, as well as to increasing fellowships and technical assistance to the developing countries.

Professor VANNUGLI (Italy) said that, as always, the Assistant Director-General had presented a comprehensive report on the Organization's financial position. Although it was true that only 95 per cent. of total contributions for the year 1965 had been paid up by the end of the year, the collection had reached a record figure by 30 April 1966; and presumably the delay was due simply to the fact that the budgetary procedures in some countries did not tally with WHO's financial year.

He was somewhat concerned that the supplementary estimates for 1966 showed a considerable increase over those for 1965. The Committee might perhaps be furnished with a table showing the supplementary estimates in greater detail. It might be that some of the items covered could be classed as foreseeable, and a way might be found whereby in future items of the kind could be included in the original budget estimates, thus giving Member States a more exact idea at the outset of the expenditure to be expected in any financial year.

His delegation welcomed the two new Members; the steady increase in its membership made WHO the most universal of all the agencies related to the United Nations.

The new headquarters building was undoubtedly well conceived for the purpose of ordered and effective work. The Executive Board room, in particular, although not large, was a highly successful example of modern architecture and decoration; every effort should be made to utilize its facilities to the full.

In his statement, the Assistant Director-General had mentioned that 1965 had been a successful year for staff recruitment. Member States should be given advance notification of certain staff vacancies to enable them to suggest suitable candidates having a good chance of being accepted.

It was important that the maximum use should be made of the electronic computer that was being installed: it could usefully serve for training national staff in computer techniques, and perhaps, could be made available to other international organizations in Geneva.

He appealed for still closer co-operation between Member States and the headquarters and regional offices. Now that the Organization had reached maturity, with its own headquarters building, the work of combating the great health problems of the world should be pursued in a spirit of moderation and realism, and bureaucracy should be avoided.

Dr DOLO (Mali) said that the encouraging picture painted by the Assistant Director-General as to the Organization's administrative position augured well for the adolescent phase it was entering. The Director-General and his colleagues had been largely instrumental in successfully steering WHO through its delicate childhood. Now that, with justifiable pride, the new headquarters building had been inaugurated, the time was propitious for reassessing past achievements with a view to adjusting the structure and evolving a more effective policy in keeping with the health needs of the newer Members that had come in to revitalize the Organization. In the future the main staff effort should be undertaken in the field. It was not a matter of recruiting more staff but of making better use of those already in service, so that budgetary savings could be achieved and sizeable budgetary increases avoided.

The Nineteenth World Health Assembly, coinciding as it did with the beginning of the second half of the United Nations Development Decade, should be moved to greater revolutionary fervour in guiding the Organization's activities to more practical achievements, in order to raise the level of health, particularly in the developing countries.

Dr LISICYN (Union of Soviet Socialist Republics) welcomed the comprehensive report made by the Assistant Director-General on the Organization's financial position. It was satisfactory to note, from the high rate of collection of contributions, that Member States were participating actively in the Organization's work, and that the financial position was sound.

His delegation had been greatly interested in the information given on the possibilities of using electronic computer facilities in WHO's administrative activities, because of the need for making the Organization's administrative machinery more flexible, up to date and economically and financially more effective. Perhaps the Committee could be given more detailed information as to what had already been done to make use of computer facilities in the Organization's administrative work and, in particular, on the way in which those facilities were capable of contributing to the reduction of administrative and operational expenses.

His delegation was glad to note that casual income was available to meet the supplementary estimates for 1966, thus avoiding additional assessments on Members for that year. Nevertheless, it was somewhat concerned at the possible repercussions of those estimates on future budgets and assessment levels, since some of the expenses would be recurring.

Secondly, he would like to know why only 97.06 per cent. of the effective working budget had been utilized in 1965, and why the full amount, or at least more than 98 per cent. as in 1964, could not be used.

Thirdly, according to the report of the External Auditor, administrative costs had amounted in 1965 to 3.1 per cent. of the total budget, as compared with 2.7 per cent. in 1964. In that connexion, he would welcome some explanation as to why the gradual percentage reduction in administrative costs noted in previous reports had not continued.

He wholeheartedly supported the point made by the delegate of Italy regarding advance notification of staff vacancies to Member States, so as to enable them to plan the use of their national staff in a way that would conciliate the interests of WHO and their national health services.

His delegation had been glad to note that the new WHO headquarters building had been practically completed, particularly since the foundation stone of that building had been laid by the late Minister of Health of the USSR. The coming into service of that building, bringing all the headquarters staff under the same roof, would undoubtedly prove beneficial from the standpoint of effective work and it was to be hoped that it would also enable administrative costs to be reduced.

Lastly, the theme of the Assistant Director-General's statement had been rational planning of the Organization's activities, particularly on the financial side. Such planning should include steps to ensure an orderly, measured rate of increase in the budget. The wide fluctuations in the rate of increase in recent years appeared contradictory to the very principle of planning and, moreover, precluded rational planning by governments, since they could not make provision for them in advance. Until the problem was solved, it was hardly possible to speak of planning, which was the cornerstone of the effectiveness of WHO's work; and it should be noted, in that connexion, that on every WHO-assisted project Member States spent from ten to twelve times more than the Organization. WHO should develop its activities in an orderly manner and should avoid expanding them too rapidly.

Dr AL-WAHBI (Iraq) said that the Director-General and his staff were to be congratulated on the continued soundness of the Organization's financial position. Such a satisfactory situation was also due to the confidence placed by Member States

in the Secretariat and to ensure co-operation with it. Over the past nineteen years, the Director-General, Secretariat and Member States had together built up an administrative and technical body which had, in 1965, been able to carry out activities to a total cost of US\$ 63 million. He was convinced that it was capable of doing still more: for example, WHO should be able to draw more on the United Nations Special Fund, especially in the field of environmental sanitation. With the help of the Organization, which would be called upon to assist in the drawing up of plans, governments should try to ensure that a larger share of the resources available under the Special Fund was used for health.

The new headquarters building was both beautiful and functional. Now that all the staff would be under the same roof, the Secretariat's work should be easier and more efficient. He hoped that arrangements could be made in the future for the Assembly and its committees to meet on WHO's own premises instead of in the Palais des Nations.

As far as the installation of the electronic computer was concerned, he was one of those who believed that such equipment was essential in any large organization. Once installed, the computer at headquarters might be used to help the health services of Member States in the processing of material.

Dr DAVYON (Canada) joined in the congratulations to the Secretary on his lucid and generally encouraging statement on the Organization's financial situation.

He had noted from the Assistant Director-General's statement that the collection of contributions in 1963, 1964 and 1965 had been 87.32, 96.64 and 95.74 per cent respectively of the total assessment on active Members; he asked for an explanation of the unusually low percentage in 1963.

With regard to the Assistant Director-General's statement on forward planning (page 7 of document Al9/AFL/10), it was gratifying and somewhat astonishing to learn that the countries assisted invested as much as between ten and twelve dollars for every dollar spent by the Organization on WHO-assisted projects. In those circumstances the necessity for keeping alert to the inter-relationship between forward planning, the budgetary cycles of governments and of WHO and the proper and balanced implementation of planned programmes could not be overstressed, particularly as concerned mass programmes involving many countries. The greatest care should be taken to ensure adequate forward planning so that serious strain was not put on governments faced with accumulating contributions to different projects from their limited resources.

Dr MAHFUZA ALI (Pakistan) said that it had been a pleasure to listen to the Secretary presenting his review of the Organization's financial situation.

While he would have been happier if the administrative services costs in 1965 had been closer to 4 per cent. of the total funds directly administered by WHO, he was not entirely dissatisfied with the actual figure of 5.74 per cent. In that connexion, he asked for details of the major items included in the total of \$ 2.96 million spent on administrative services' costs, and, in particular, of any change in the percentage share of the total of any specific item. He also asked if the figure included the administrative expenditure of the regional offices.

His Government had been interested to note the action taken in regard to the recruitment of staff for the new headquarters building. He asked if he was correct in assuming that there had been a reduction in general services costs because the Organization was no longer required to make any payment to the United Nations in that respect.

Dr MUDALIAR (India) associated himself with those who had congratulated the Secretary on his statement. Having listened to the Assistant Director-General's illuminating annual statement on the hopes and difficulties of the Organization with regard to its finances for almost nineteen years, he was looking forward to being the first to propose the award of a medal to Mr Siegel when the collection of contributions reached 100 per cent. of the total assessment on Members, a time which, he hoped, was not too distant.

He had been relieved to learn that it was again going to be possible to meet supplementary budget estimates from available resources.

It was always difficult to obtain a balance between the requirements of the developing and the developed countries; the developing countries had so many needs and wanted more and more assistance; the developed countries had difficulty in meeting the financial side of that challenge. He hoped that a reasonable compromise would be reached so that both developed and developing countries would see that world health was one and indivisible.

The new building was all that he had hoped for. When people obtained more office space they often automatically asked for more still, and he hoped that the Director-General would ensure that economical use was made of the space in the new headquarters building.

He agreed that installation of a computer had been essential. Trained staff was required for the efficient operation of such computers, and he hoped the Director-General would make arrangements to have staff properly trained.

Referring them to the final paragraph of the Assistant Director-General's statement (document A19/AFL/10), he stressed the need for steady development. Unless WHO operated economically and efficiently, it would lose some of the support it had at present. The people of the world would look for WHO's support as long as the Organization was able to provide the assistance they required from it.

The Committee met from 11.10 a.m. until 11.30 a.m. in private

2. SALARIES AND ALLOWANCES: Item 3.10 of the Agenda

The CHAIRMAN invited the Rapporteur to report on the proceedings of the private meeting.

Salaries and allowances for ungraded posts: Item 3.10.1 of the Agenda
(Resolution EB37.R4)

Dr DIBA (Iran), Rapporteur, reported that as a result of the discussions held in private, the Committee had agreed to recommend the Nineteenth World Health Assembly to adopt the following resolution:

The Nineteenth World Health Assembly,

Noting the recommendations of the Executive Board with regard to remuneration of staff in the ungraded posts, based, in the case of Assistant Directors-General and Regional Directors, on recommendations originating from the International Civil Service Advisory Board,

1. CONCURS with the view of the Board that the proposed adjustments are reasonable in the light of movements in salary levels and income tax schedules outside the international organizations and are necessary to the maintenance of a single integrated salary and allowance system in the Organization; and, consequently,

2. ESTABLISHES the salary for the post of Deputy Director-General at \$ 34 000, before staff assessment, with concurrent application of the revised staff assessment rates adopted by the Executive Board at its thirty-seventh session, resulting in a revised net salary for the post of Deputy Director-General of \$ 23 300 per annum;
3. ESTABLISHES the salary for Assistant Directors-General and Regional Directors at \$ 30 000, before staff assessment, with concurrent application of the revised staff assessment rates adopted by the Executive Board at its thirty-seventh session, resulting in a revised net salary for such posts of \$ 21 000; and
4. DECIDES that these salary levels shall be effective from 1 January 1966 in view of and in relation to the revision of staff assessment rates and all post adjustment classifications on that date, as recommended by the International Civil Service Advisory Board.

Salary and allowances for the Director-General. Item 3.10.2 of the Agenda
(Resolution EB37.R5)

Dr DIBA (Iran), Rapporteur, reported that as a result of the discussions held in private, the Committee had agreed to recommend the Nineteenth World Health Assembly to adopt the following resolution:

The Nineteenth World Health Assembly,

1. AUTHORIZES the President of the World Health Assembly to sign an amendment to the contract of the Director-General to establish the salary of the Director-General at \$ 43 000, before staff assessment, with concurrent application of the revised staff assessment rates adopted by the Executive Board at its thirty-seventh session, resulting in a revised net salary for the Director-General of \$ 28 100 per annum; and
2. DECIDES that this change shall be effective from 1 January 1966 in view of and in relation to the revision of staff assessment rates and all post adjustment classifications on that date, as recommended by the International Civil Service Advisory Board.

The CHAIRMAN said that the two draft resolutions would be included in the first report of the Committee to the Assembly.

3. REVIEW OF THE FINANCIAL POSITION OF THE ORGANIZATION: Item 3.8 of the Agenda
(Document A19/AFL/10) (resumed)

Mr CHEBELEU (Romania) said that his delegation had noted with satisfaction that WHO's financial position continued to be sound. Although the contributions collected were less than in the preceding year, the percentage of the total assessments collected was good.

Supplementary budget estimates had come to be a permanent item of the Committee's agenda and although it had always been possible to meet supplementary expenditure from miscellaneous income, it might one day be necessary to ask for supplementary contributions from Member States. The whole system should be studied. The matter had been raised the previous year, but the Committee was again faced with supplementary budget estimates, and for a record sum of approximately \$ 2 million. His delegation accepted the fact that some unforeseen expenditure might arise over a year, but the Secretariat should pay more attention to financial discipline so as to avoid having to provide for large sums of money over and above the budget approved by the World Health Assembly.

The efforts of the Director-General to provide the best possible conditions of work for the staff, for example, the new building and an electronic computer, were praiseworthy. The aim of all improvements must be to obtain a more effective use of available resources, especially since sums as large as \$ 63 million were involved. While he believed that the new building would prove to be a good investment, he had been concerned to read an article in the "Tribune de Genève" of 6 April in which it was stated that the new building was already too small to accommodate all WHO's staff. He asked the Secretary to comment on that point.

Mr TURBANSKI (Poland) associated himself with those who had congratulated the Secretary on his full and interesting statement.

He wished to raise one point, which he had brought up the previous year and which had not been mentioned in the Secretary's statement, namely the currency of payment of contributions. He regretted that so little had been achieved during the past year to improve the situation of countries, such as his own, which had difficulty in finding adequate amounts of acceptable currencies in which to pay their contributions. He noted that the Executive Board at its thirty-seventh session had postponed consideration of the question until its thirty-eighth session, to allow for further study. His delegation was extremely interested in that study and hoped that a solution would be found to the problem that would be satisfactory both to the Secretariat and to the Member States concerned.

He associated himself fully with the remarks made by the USSR representative about planning and, in particular, about financial planning.

The CHAIRMAN said that in the absence of further comments on the review of the financial position of the Organization, he would ask the Secretary to reply to the questions put by different speakers. Owing to the fact that the General Committee was to meet at noon, the Secretary would probably be unable to reply to all the questions at the present meeting.

Mr SIEGEL, Assistant Director-General, Secretary, said that he must first express appreciation on the part of the Director-General, himself and the staff as a whole for the commendations they had received. It was very encouraging to see that Member States gave so much attention to the subject, and the questions were welcome as they helped the Secretariat to carry out its responsibilities.