

UNITED NATIONS  
ECONOMIC  
AND  
SOCIAL COUNCIL



DISTR.  
LIMITED

E/ICEF/L.1217  
11 February 1958

ORIGINAL: ENGLISH



UNITED NATIONS CHILDREN'S FUND  
Programme Committee

Recommendation of the Executive Director for an Adjustment  
in the French franc value of an Allocation to the  
INTERNATIONAL CHILDREN'S CENTRE

Summary

1. The Executive Director recommends as an exceptional measure for the year 1958 that the 105 million francs allocated to the International Children's Centre in September 1957 (E/ICEF/L.1117), and placed on UNICEF books at \$300,000, be increased to 126 million francs. This action would not call for an increased allocation, since the franc was revalued by 20 per cent from 350 to 420 to the U.S. dollar subsequent to the Board session; the allocation in U.S. dollar equivalent would thus remain as originally approved by the Board at \$300,000. Costs for salaries (which follow the levels prescribed for the French civil service) and for other expenses, have increased substantially since the 1958 budget was prepared in May 1957. According to present estimates the action recommended in this paper would enable the Centre to carry out nearly all of its approved programme for 1958, for which in many cases commitments have already been made, including fellowships for training courses. The French Government has increased its contribution to the Centre from 87.5 million francs in 1956 to 105 million in 1957 and budgetary procedures of the French Government rule out the possibility of a supplementary allocation for 1958. There is no proposal to depart from the principle of 50/50 sharing of the expenses of the Centre as set forth in paragraph 2 for the remaining three years of the current five-year arrangement.

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(3p.)

Basis of participation

2. At its March 1956 session "the Executive Board accepted the principle that the operating costs of this Centre should be shared equally by the French Government and UNICEF for the five-year period 1957-1961, as set forth in the Executive Director's recommendation E/ICEF/L.884.....The Centre's annual budget may vary between the equivalent of \$500,000 and \$600,000 (unless a change in ceiling is agreed to by the UNICEF Board because of major changes in salaries and prices or in the French franc/U.S. dollar exchange rate.)" (E/ICEF/316, para.65). The present proposal does not affect the ceiling, as expressed in dollars, but it is brought forward as an emergency action within the spirit of the above decision.

Situation since approval of UNICEF allocation

3. Document E/ICEF/L.1117, approved by the Board at its September 1957 session presents the proposed 217 million franc budget for 1958, consisting of 105 million francs each from the French Government and UNICEF and approximately 7 million anticipated from subscriptions, sales of books, private subsidies, etc. Unfortunately, since the preparation of that budget in mid-1957, costs have risen to an extent that would seriously curtail the Centre's approved programme for 1958 unless it receives the additional 21 million francs covered by this proposal, which amounts to a 10 per cent increase in the budget as expressed in francs. An emergency cut in activities for 1958, made with the prospect of resumption in 1959, would inevitably fall mainly on training courses, which are the essence of the Centre's work and for which fellowships have already been offered.

4. The Administration has reviewed the proposed 1958 operation and consequent budgetary requirement with the Centre and recommends that planned programmes should not be further reduced. Establishment of a nutrition laboratory has been indefinitely postponed and a planned seminar concerning handicapped children was cancelled. On the other hand the Centre is yearly receiving more requests for assistance, as the quality of its work is more appreciated.

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5. Some of the increases in costs are as follows. The Centre's personnel is paid on the basis of Government salary scales, the salary increases being automatic and follow the cost-of-living index after a certain delay.

- a) Salary and social security expenses will, by the end of 1958 be about 25 per cent above May 1957, but the average over the year 1958 will be 15 per cent. An increase of 5 per cent was provided in the 1958 budget and 10 per cent remains to be covered.
- b) Operational cost increases such as lodging (20 per cent) and meals (10 per cent) for fellows attending courses; rail transport (20 per cent); postal and telephone charges (30 per cent) will increase overall a minimum of 10 per cent.
- c) All expenses incurred outside the French franc area, which were to be charged to the Centre at 13,500,000 at the rate of 350 to the U.S. dollar, will now be charged at 420 and amount to 16,200,000.

6. Although it is not proposed that the following expenses should count as part of France's 50 per cent share of the operating costs, it is of interest that in 1958 in addition to the main Government contribution of 105 million francs, certain Ministries and the City of Paris will contribute to the Centre as follows:

	<u>Fr. francs</u>
Subsidy from the City of Paris for installation of Documentation Centre and Library	2,500,000
Subsidy from the Ministry of Health and National Institute of Hygiene	
Payment of salaries and social security expenses of:	
2 research workers	
2 laboratory assistants	3,840,000
Investigation of Handicapped Children	300,000
Study of Child Growth in Paris	800,000
Amortization in 30 years of the loan granted by the French Treasury for the conversion of the Chateau de Longchamp	5,000,000
Rental value of Chateau de Longchamp and its annexes (approximate)	<u>5,000,000</u>
French francs	17,440,000

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