

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.9/65

3 December 1954

Special Distribution

Review Working Party IV on Organizational and Functional Questions

Statement by the Executive Secretary regarding Specialized Agency Status (Made at the Meeting on 27 November 1954)

The Charter of the United Nations gives the Economic and Social Council all-embracing jurisdiction over economic and social matters in the United Nations orbit. At San Francisco the establishment of bodies to deal in specialized economic and social fields was also envisaged and the Charter provides that, such specialized organizations having broad functions in the economic and social field, shall be brought into relationship with the United Nations. The purpose of such relationship is

- (1) to define the area of responsibility of the Agency;
- (2) to arrange for cross representation, in the Agency by the United Nations and vice versa, for the exchange of information and documents, and to avoid duplication of work between the Agency and the United Nations;
- (3) to ensure that the Agency reports annually to the Economic and Social Council to enable the latter generally to co-ordinate the activity of the United Nations in the economic and social fields.

Agreements between the Agencies and the United Nations cover these purposes. The Agreements cover other matters as well; for example, they provide that recommendations can be made by the Agency for consideration by the United Nations and vice versa. They relate also to administrative matters including the following:

- (1) The question of privileges and immunities. An overall convention exists concerning privileges and immunities which governments accord to officials and delegates of the United Nations and specialized agencies. In accordance with this Convention, governments automatically extend the provisions of the Convention to any organization which has the status of specialized agency of the United Nations.
- (2) The United Nations Pension Fund, a collective arrangement establishing pensions for the Staff of the United Nations and of a number of specialized agencies.

(3) The co-ordination of financial, administrative and personnel arrangements. An attempt is being made to establish common staff conditions in order to build up an effective international civil service.

The possible disadvantages which might result from specialized agency status relate to policy and administration.

Concerning policy, the basic question is whether the Organization established to administer the Agreement would be similar in character to the other specialized agencies. The Agreement is a treaty embodying specific rights and obligations on the parties to it in the important field of commercial policy. In this respect it differs from those specialized agencies, which operate under Charters providing for general co-operation and co-ordination in various fields but without creating treaty rights and obligations such as those provided for in GATT. If it could be argued that the effect of specialized agency status would in any way subject the decisions of the CONTRACTING PARTIES to appeal, or even to the influence of an external body, then it would be necessary carefully to consider entering into such status. Much would depend upon the nature of the agreement drawn up between the United Nations and the new Organization. There appears to be no reason why it should not be possible to insert in such an agreement safeguarding clauses to avoid any suggestion of this nature. A similar problem had existed with the International Bank and the Monetary Fund, and the Agreements between those two agencies and the United Nations differ in important respects from the Agreements between the United Nations and other specialized agencies.

From the point of view of administration, while admittedly there is advantage in co-ordinating methods of administration and standardizing conditions of service, it should also be borne in mind that the way that an international organization is run should depend on the business of the organization, rather than on a theory of international administration. There is a tendency to standardize patterns of administration simply because all the organizations involved are international. Again, any agreement that might be entered into with the United Nations should provide that arrangements for administrative co-ordination should not prevent the GATT organization from adopting whatever secretariat structure and methods of administration would be most suitable for its task.

x x x x

There is also circulated (one copy to each delegation) with this note an extract from General Assembly document No. A/C.1/758 which gives a comprehensive account of constitutional questions relating to agencies within the framework of the United Nations.