



Seventeenth session
Agenda item 61

SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1962

Eighth report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its seventeenth session

Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the supplementary estimates for the financial year 1962 (A/5223).
2. In accordance with established practice, the Advisory Committee had the opportunity during its summer session to review the status of the 1962 budget. However, this review was carried out relatively early and the basis used could only be the expenditures and obligations recorded up to the end of April for Headquarters, Geneva and the International Court of Justice, and up to the end of March for other offices. Accordingly, the review was limited to information available at that time on specific increases and decreases in requirements and general indications on apparent expenditure trends.

Analysis of supplementary estimates

3. The supplementary appropriations now requested are in the amount of \$2,727,480.
4. Unforeseen and extraordinary expenses authorized under the provisions of General Assembly resolution 1735 (XVI) of 20 December 1961 amount to \$2,150,200 as follows:

(a) Expenses authorized under paragraph 1 of resolution 1735 (XVI) with the prior concurrence of the Advisory Committee:

	\$	\$
(i) Special meetings and conferences (section 2)	38,500	
(ii) Two resumed sessions of the General Assembly (sections 3, 5, 9, 10 and 11)	266,300	
(iii) Provisional enlargement of meeting-room facilities at Headquarters (section 7)	50,000	
(iv) Provision of additional office space and related furniture and equipment (sections 8 and 9)	30,000	
(v) Special missions (section 18)	675,200	
(vi) International encouragement of scientific research into the control of cancerous diseases (section 12)	<u>60,000</u>	1,120,000

(b) Expenses authorized by the Secretary-General under paragraph 1 (a) of General Assembly resolution 1735 (XVI):

(i) Special meetings and conferences (section 2)	901,500	
(ii) Special missions (section 18)	<u>116,700</u>	1,018,200

(c) Expenses authorized by the Secretary-General under paragraph 1 (b)(i) of General Assembly resolution 1735 (XVI):

(i) Designation of <u>ad hoc</u> judges for South West Africa under Article 31 of the Statute (section 21)	12,000
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5. Apart from the unforeseen and extraordinary expenses set out in the preceding paragraph, the Secretary-General requests provision for additional costs in the amount of \$767,700 arising from the application of the Staff Rules and Regulations as follows:

	\$	\$
(i) Increases in general service and manual worker salary rates and in post classification level (sections 3, 4 and 20)	472,500	
(ii) Travel and removal costs on appointment, transfer, and separation and separation payments (section 4)	243,200	
(iii) Travel on home leave (section 5)	37,700	
(iv) Revised estimate of cost of introducing the new salary system for professional staff and above (section 20)	<u>14,300</u>	767,700

6. Additional expenses arising in 1962 from decisions taken by the Economic and Social Council at its thirty-third and thirty-fourth sessions (sections 3, 5, and 10) are estimated at \$269,200.

7. In addition, increased expenditures in a total amount of some \$658,000 are anticipated in respect of the regular budget appropriations as follows:

	\$	\$
(i) Russian language training programme (section 4)	101,200	
(ii) Additional requirements of the Economic Commission for Africa (sections 5, 9 and 10)	155,000	
(iii) Contractual wage increases and utility and postal rate increases (sections 9 and 10)	46,000	
(iv) Expenditures arising from the increased conference programme (sections 9 and 10)	163,300	
(v) Expanded information activities (section 10)	92,000	
(vi) Other miscellaneous requirements (sections 5, 10, 11, 18 and 20)	<u>100,500</u>	658,000

8. As described in paragraphs 4 to 7 above, additional requirements for activities not provided for in the approved budget add up to a total of \$3,845,100. Of this amount, however, it is anticipated that some \$1,117,600 can be met from existing appropriations as a result of the fact that the expenditure level under certain sections will be below the level originally provided for. Accordingly, the Secretary-General has been able to limit his request for additional credits to \$2,727,500. The major reductions are the following: Travel and other expenses of representatives, members of commissions, committees and other subsidiary bodies (section 1): \$52,200; Special meetings and conferences (section 2): \$302,300; Reduced expenditures in salaries and related costs resulting from delayed recruitment and changes in exchange rates between local currencies and United States dollars at Santiago and Geneva (sections 3, 4, and 19): \$694,000; Special missions (section 18): \$61,800.

9. The Secretary-General has also presented revised estimates of income showing an increase of \$49,750 in income from staff assessment, and \$278,000 in other income, arrived at as follows:

- (a) General income: Increases of \$69,000 for revenue from television services and \$75,000 in income from interest and investments;
- (b) Sale of United Nations postage stamps: Estimated increase of \$30,000;
- (c) Sale of publications: Additional revenue in an estimated amount of \$25,000;
- (d) Services to visitors and catering services: A net estimated increase of \$79,000 including Visitors' Service, Headquarters (\$37,000) and Souvenir Shop (\$42,000).

10. The supplementary estimates now submitted do not cover the requirements under chapter I of section 1 for travel of representatives of new Member States which may be admitted during the seventeenth session of the General Assembly, at \$6,000 per Member State. As of the date of this report, four new Members have been admitted, resulting in an additional estimated expenditure of \$24,000. Furthermore, these estimates exclude the costs of possible upward adjustments in 1962 of the post classifications for New York and Geneva and a possible increase

in the level of salaries for General Service staff at New York, the need for which has yet to be determined. Also excluded are the possible costs arising from the urgent necessity to secure additional office accommodation for the Secretariat of the Economic Commission for Asia and the Far East. Furthermore, in answer to an urgent request, the Advisory Committee has concurred in commitments up to a total of \$250,000 under the terms of paragraph 5 of General Assembly resolution 1746 (XVI) entitled "The future of Ruanda-Urundi". To the extent that additional credits are required for these purposes, separate reports will be submitted by the Secretary-General in due course.

Comments by the Advisory Committee

11. The Advisory Committee has noted that - as can be seen from the recapitulation in paragraph 5 of the Secretary-General's report (A/5223) - if those expenses which have been incurred with the prior concurrence of the Advisory Committee under paragraph 1 of resolution 1735 (XVI) relating to unforeseen and extraordinary expenses and those certified by the Secretary-General under paragraph 1 (a) and by the President of the International Court of Justice under paragraph 1 (b), as well as certain of the statutory increases resulting from the application of staff rules and regulations, had not arisen, it would have been possible for the Secretary-General, taking into account the reduced level of expenditure under the existing appropriations referred to in paragraph 3 above, to have avoided requesting any supplementary appropriation whatsoever for 1962. Only the transfer of some credits between sections would in that event have been required.

12. The Advisory Committee would invite the attention of the General Assembly in this connexion to its observations and recommendations contained in paragraph 18 et seq. of its seventh report^{1/} on the question of supplementary estimates. While the Fifth Committee, and perhaps the General Assembly, will have occasion to devote some time to the considerations mentioned in that report,

^{1/} Official Records of the General Assembly, Seventeenth Session, Supplement No. 7 (A/5207).

particularly in the context of their examination of the budget estimates for 1963, the Advisory Committee desires to reiterate here the need for decision-making bodies to bear in mind the following points:

- (a) The General Assembly and its Main Committees should consistently conform to the intent of financial regulation 13.1 and rule 154 of the Assembly's rules of procedure relating to the financial implications of new proposals. Adherence to this procedure would be facilitated if the decision-making bodies, e.g. the General Assembly and the Economic and Social Council, were to state in precise terms, in resolutions having financial implications, the nature and scope of the task to be undertaken thereunder;
- (b) Consideration of such resolutions should take place in the originating committees in good time to enable the Fifth Committee to state the effect of the proposals upon the budget estimates of the United Nations as required under rule 154 of the rules of procedure.

13. Unless procedures such as those mentioned above are observed, the General Assembly would, in the opinion of the Advisory Committee, be allowing its subordinate organs to assume the budgetary functions vested in it by the Charter with a consequent loss of over-all financial control.

14. The Advisory Committee also considers it necessary to lay emphasis on the need for decision-making bodies, in particular the Economic and Social Council and its subsidiary organs, to ensure that their resolutions, where they entail expenditure, do not call for action requiring such expenditures to be met by supplementary estimates in the current financial year. The rule should be observed that such expenditures be included in the budget estimates for the following year. Such discipline is necessary if the General Assembly is to have the possibility of reviewing and controlling the budgetary expenditures for an entire financial year as a whole, and would enable the Secretary-General to limit his supplementary demands to the expenses which are clearly inescapable. Since the Advisory Committee has already commented in its seventh report with respect to the connotation of the expression "unforeseen and extraordinary expenditure",^{2/}

^{2/} Ibid., para. 18.

it would merely urge here that any tendency towards rendering such connotation vague and ambiguous should be resisted.

15. Among the cost areas which would lend themselves more readily to a strict control by the Secretary-General and where, consequently, savings could be achieved during the latter part of the current financial year, the Advisory Committee would single out sections 3 (Salaries and wages), 5 (Travel of staff) and 10 (General expenses). As an indication of a possible way of reducing expenditure under section 5, it is suggested that the Secretary-General either advance the implementation date of the revised travel standards for the staff from 1 January 1963 as previously recommended by the Advisory Committee^{3/} to 1 November 1962, or curtail drastically all official travel during the balance of the current financial year.

16. The net additional requirements under section 10, in the amount of \$462,400, represent no less than 12.55 per cent of the initial appropriation. The Committee realizes that these expenses are to a large extent the inescapable consequence of the heavy schedule of meetings including two resumed sessions of the Assembly, as well as the various special commissions and committees set up by the Assembly at its sixteenth session. Nevertheless, the Advisory Committee believes that the exercise of stricter controls would make some savings possible. For example, the Committee would question the need for a \$20,000 increase in pouch costs for the distribution of Public Information material. It would appear that, with better planning, much of this material could be produced sufficiently early to permit use of cheaper means of transmission, such as sea freight.

17. Also under chapter I of section 10, the Secretary-General requests a further \$25,000 to meet the requirements of information centres. The Advisory Committee understands that a significant part of this sum is needed to cover the costs of cables sent from various information centres to transmit to Headquarters material for the preparation of the press review entitled Coup d'Oeil. In its report on

^{3/} Ibid., para. 64.

the budget estimates for 1963, the Advisory Committee recalled^{4/} that, when this publication was established, it was on the understanding that there would be no additional expenditure. Furthermore it should be pointed out that Public Information expenses such as these and the pouch costs referred to in paragraph 16 above belong to an area where the General Assembly has already expressed the wish that expenditures be limited. This is therefore an area where savings can and should be made.

18. The Advisory Committee notes that the Secretary-General has raised the estimates of income under income sections 3 to 6 by \$278,000. However, it would appear to the Committee that this revised figure is too conservative and that a somewhat higher level of income might be expected.

Recommendations by the Advisory Committee

19. In the light of the considerations and observations set out above, the Advisory Committee recommends that, for the financial year 1962, the amount of \$82,144,740 gross appropriated by the General Assembly under resolution 1734 A (XVI) of 20 December 1961 should be increased by \$2,615,480. This represents a global reduction of \$112,000 in the estimate submitted by the Secretary-General. Furthermore, the Advisory Committee recommends that the increase of \$278,000 proposed by the Secretary-General for income other than staff assessment be raised by a further \$15,000. It also recommends approval of the estimated increase of \$49,750 under income from staff assessment. Thus the net increase in the expenditure level to be met from assessments on Member States would be reduced from \$2,399,730 as proposed by the Secretary-General (A/5223) to \$2,272,730.

4/ Ibid., para. 229.