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SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1959

Draft report of the Fifth Committee

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1. The Fifth Committee examined the supplementary estimates for 1959 in two parts. Part I was examined at the 708th and 709th meetings held on 25 September 1959, and part II at the 755th meeting on 1 December 1959.

Part I

2. For the first part of the supplementary estimates, the Committee had before it reports of the Secretary-General (A/4198) and the Advisory Committee on Administrative and Budgetary Questions (A/4221), whose recommendations are set out below, together with the decisions of the Fifth Committee:

	Secretary-General's proposal (A/4198)	Advisory Committee's recommenda- tions (A/4221)	Fifth Committee's recommendation to the General Assembly
	<u>United States dollars</u>		
Supplementary estimates	955,800	870,600	870,600
1959 appropriation (General Assembly resolution 1338 (XIII) of 13 December 1958)	60,802,120	60,802,120	60,802,120
Revised appropriation	<u>61,757,920</u>	<u>61,672,720</u>	<u>61,672,720</u>
<u>INCOME^{1/}</u>			
<u>Income other than staff assessment</u>			
Approved estimate (General Assembly resolution 1338 (XIII))			5,317,880
Estimated increase			<u>207,120</u>
Revised estimate for 1959			<u>5,525,000</u>
<u>Income from staff assessment ^{2/}</u>			
Approved estimate (General Assembly resolution 1338 (XIII))			<u>6,123,000</u>

^{1/} The income estimates submitted by the Secretary-General and the Advisory Committee were identical in amount with those recommended by the Fifth Committee.

^{2/} A revision of the approved estimate was not proposed.

3. The Secretary-General's estimate of \$955,800 for additional budgetary requirements in 1959 comprised:

(a) Unforeseen and extraordinary expenses authorized under the terms of General Assembly resolution 1339 (XIII) of 13 December 1958	\$	615,500
(b) Additional requirements under certain regular budget sections	\$	935,500
<u>Less savings on other sections</u>		<u>595,200</u>
		340,300

4. The report of the Secretary-General indicated (A/4198, para. 7) that the sum of \$340,300 (item (b) above) included items of expenditure totalling \$137,500 which would be wholly offset by income. The net increase on items of ordinary expenditure was thus limited in effect to \$202,800.

5. The Advisory Committee recommended (A/4221, para. 9) that a reduction of \$85,200 in the proposed supplementary provision should be distributed as follows:

Section 4, Special missions and related activities . . .	\$	10,000
Section 7, Common staff costs . . .		50,000
Section 10, Office of the High Commissioner for Refugees		25,200

6. General satisfaction was expressed by delegations that the earlier submission of the Secretary-General's proposals had enabled the Fifth Committee to consider the item at the opening of its session. Many representatives also commented favourably on the fact that the supplementary requirements for 1959 were appreciably lower than in the previous year. While that was due in part to the fortuitous circumstance that, with a calmer political situation, fewer calls arose for extraordinary commitments, the marked decrease in the supplementary provision for ordinary expenditure items might largely be ascribed to careful administration of the budget.

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7. Divergent views were expressed in the Committee:

(a) In the opinion of most delegations, encouragement could be drawn from the reports before the Committee. It was evident from the close similarity of their proposals that a sound understanding existed between the Advisory Committee and the Secretary-General, and that administrative and financial control had been further strengthened. There was ground for hoping that, in spite of fluctuations unavoidably associated with the international situation, there would be a continuing trend towards reducing the volume of supplementary appropriations, and possibly - where ordinary expenses were concerned - towards their total elimination. As regards the figures under review, the smallness of the net deficit on regular items testified to the care with which the Secretary-General and the budget committees of the General Assembly had carried out their respective tasks; that was further borne out by the fact that the largest single budget item, salaries and wages of the Secretariat under section 6, might yield a surplus for the first time in four years. There was general support, among these delegations, for the Advisory Committee's recommendation, although some representatives queried the specific distribution of the amounts. Doubt was thus expressed regarding the Advisory Committee's recommendation (A/4221, para. 18) on staff recruitment and transfer costs under section 7. In other areas also the Secretary-General might show compelling reasons for varying the incidence of the proposed cuts. He should therefore retain authority to make necessary transfers, with the Advisory Committee's concurrence, between appropriation sections.

(b) Other delegations took a different position. While recognizing that some progress had been made, they found in the Secretary-General's proposals little cause for satisfaction, and considered that the Advisory Committee could have recommended a heavier reduction. Budgetary discipline called for strict adherence to authorized appropriations, and as the General Assembly had voted a budget of record size for 1959, there could be no justification for supplementary provision in respect of ordinary expenses. Admittedly, errors might arise in estimating forward requirements, but, with proper

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planning, they could be repaired in good time. For the year under review, the Committee was faced with additional requests amounting to over \$935,000 for items covered by regular appropriations; the fact that savings on certain sections reduced the total to some \$340,000 in no way justified the deficits on other sections. On the contrary, the liberal budget provision for 1959 (augmented by purely fortuitous savings on several major items) might well have served to meet at least a part of the unforeseen expenses, which, because of favourable circumstances, were relatively light. In general, account should be taken of the difficulties which a demand for additional funds created for Member States; the aim should be to stabilize expenditure and to confine supplementary appropriations to unforeseen items covering the political and urgent economic needs of the United Nations. Particular criticism was also directed to the increases under section 8, Travel of staff and members of administrative bodies, and section 10, Office of the High Commissioner for Refugees; it was argued that the deficit on the former section might have been obviated through better advance planning of home leave, and that as regards the latter section, the financial regulations had not apparently been closely observed.

8. Some delegations deprecated the provision of funds for the United Nations Representative on the Question of Hungary at a moment when determined efforts were being made to ease political tension.

9. At the 709th meeting of the Committee, representatives of the Secretary-General commented on points raised in the course of the discussion:

(a) Section 4: Although new expenditure, to an indeterminate amount, was being incurred by recent decision of the Security Council, the Secretary-General would not contest the Advisory Committee's recommendation (A/4221, para. 14) since, even though the justification was not clear, the sum of \$10,000 was slight in relation to the total appropriation and the nature of the activities concerned. As regards chapter XIII, the Secretary-General did not share the doubt expressed by the Advisory Committee (A/4221, para. 13) concerning the appointment of a Special Representative in Guinea; in his opinion, the purpose of the mission brought it within the definition of urgent economic rehabilitation;

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(b) Section 7: The recommended cut of \$50,000 (apparently directed mainly to chapter III (Recruitment, transfer and separation costs), might cause some difficulty, and while efforts would be made to absorb the amount within the section, compensatory savings might have to be drawn from other sections. Several factors had contributed to the over-expenditure: first, there had long been a tendency to under-budget on section 7, as well as on section 11 - a tendency which the Secretariat was endeavouring to correct through the use of surer statistical bases; secondly, at the time when the 1959 estimates were under preparation, the decision to accelerate the rotation of staff among duty stations, and in particular the transfers between Headquarters and information centres, had not yet been taken, and thirdly, as the result of the reduction in the supplementary estimates for 1958, appointments and transfers under the 1958 recruitment programme had had to be deferred until 1959. Any further budget reduction in the current year would aggravate delays in the programme of planned recruitment. As regards the thirty-nine appointments envisaged for the period mid-September to December 1959, the factor of geographical distribution entered into the majority of cases. Twenty-seven staff transfers had been planned for the same period, and while the number could be reduced, a large part of the reduction of \$50,000 - if confined to chapter III - would have to be applied to the appointments programme. That meant a mere deferment of expenditure to 1960;

(c) Section 8: Requirements for home leave travel were planned and costed with precision on the basis of entitlements under the Staff Regulations; there was, however, one element - the deduction to be made for the non-exercise of entitlements - which was necessarily conjectural. Too large a deduction had been made from the initial cost estimates for 1959. If, however, the Committee followed the suggestion of some delegations for a reduction on section 8, it would be relying on a purely arbitrary assumption. Each of the remaining chapters had yielded savings, which would partially counter-balance the cost of the Secretary-General's forthcoming visit to Africa;

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(d) Section 10: The cost of the branch offices in Australia and Canada would be fully reimbursed from the United Nations Refugee Fund, and as regards the appointment of legal correspondents in Latin American countries, no commitments had yet been made. There had admittedly been a failure, owing to procedural difficulties, to keep the Advisory Committee fully and promptly informed on certain of the additional requirements. Steps were being taken to obviate such an occurrence in future.

10. In general, the Secretary-General believed that it would be possible to achieve the reduction recommended by the Advisory Committee, provided that adjustments between appropriation sections might be made with that Committee's prior concurrence. The element of uncertainty, always inherent in forecasts of that kind, was augmented in the present instance because, with the earlier submission of the Secretary-General's report, requirements for an ensuing period of four months had to be estimated on the basis of an experience limited, in the case of Headquarters, to seven months' expenditure, and, in the case of other offices, to six months' expenditure. In those circumstances, the margin of error, on either side of the ledger, was inevitably widened, and the possibility of effecting an even larger reduction could not be excluded. The Committee would in any case need to make a further review, during the current session, of the over-all 1959 situation.

11. At the 709th meeting of the Committee, the representative of the Ukrainian SSR proposed that the revised estimate recommended by the Advisory Committee for section 6, Salaries and wages, should be reduced by \$92,000 (representing the increase in requirements for temporary assistance in connexion with the General Assembly session), to \$30,570,000. The proposal was rejected by 36 votes to 8, with 11 abstentions.

12. The Committee voted, at the same meeting, on the recommendations of the Advisory Committee. The result of the voting was as follows:

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Section	<u>Revised amount</u>	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
	<u>United States dollars</u>			
1. Travel of representatives, members of commissions and committees . .	828,200	55	0	1
2. Special meetings and conferences	1,891,500	56	0	1
3. Board of Auditors	51,000	58	0	1
4. Special missions and related activities	2,469,000	47	8	3
4a. Expenses arising from General Assembly resolution 1237 (ES-III) and residual expenses of the United Nations Observation Group in Lebanon	336,000	55	0	2
5. United Nations Field Service . .	1,119,000	49	0	9
6. Salaries and wages	30,662,000	47	0	11
6a. Economic Commission for Africa	500,000		unanimous	
7. Common staff costs	6,752,700	49	0	9
8. Travel of staff and members of administrative bodies	1,695,600	49	0	9
9. and				
9a. Hospitality: Payments under annex I, paragraphs 2 and 3, of the Staff Regulations	95,000		unanimous	
10. Office of the United Nations High Commissioner for Refugees	1,500,000	44	0	14
10a. World Refugee Year	60,000	45	8	4
11. General expenses	5,573,700	51	0	8
12. Printing, stationery and library supplies	2,127,200		unanimous	
13. Permanent equipment	613,220		unanimous	
14-17. Technical programmes	2,005,000		unanimous	
18. Special expenses	2,649,500		unanimous	
19. The International Court of Justice	744,100		unanimous	
Income other than from Staff Assessment	5,525,000		unanimous	
Income from Staff Assessment . .	6,123,000		unanimous	

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Part II

13. The second part of the supplementary estimates for 1959 was presented in a report of the Secretary-General (A/C.5/807), which was considered, together with the comments of the Advisory Committee on Administrative and Budgetary Questions (A/4308), at the 755th meeting of the Fifth Committee.

14. The Secretary-General's second submission (A/C.5/807) comprised the following items:

- (a) Additional requirements \$254,700
- (b) Reductions \$270,320

The revised total of supplementary requirements for 1959 was thus estimated at \$61,657,100, or \$15,620 less than the amount of \$61,672,720 which the Committee approved at its 709th meeting (see para. 2 above).

15. The following is an analysis, by appropriation sections, of the additional requirements and the reductions:

(a) Additional requirements (\$254,700)

Appropriation
Section

4	\$ 88,000	Activities of the Security Council Sub-Committee under Council resolution of 7 September 1959 (S/4216)
6,7	\$121,500	5 per cent increase in salary scale for General Service category at Headquarters, with effect from 1 October 1959
10	\$ 45,200	Amount approved for the Office of the High Commissioner for Refugees at the 742nd meeting of the Fifth Committee

(b) Reductions (\$270,320)

Appropriation
section

1	\$ 8,200	Reductions resulting from a review of expenditure and obligation figures at 31 October 1959
6a	\$25,000	
16	\$13,600	

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4 (Chapter VI)	\$ 23,300	Postponement of the plebiscite in the southern part of the Trust Territory of the Cameroons under United Kingdom administration
13	\$100,220	Reductions connected in the main with (a) the interim arrangements for the Library at Headquarters, and (b) the construction of the United Nations building at Santiago
17 (Chapter II)	\$100,000	Recruitment and other delays in the execution of the OPEX programme

16. In addition, the Secretary-General's report (A/C.5/807) submitted the following revisions in the income estimates:

- (a) Income other than staff assessment: increase of \$25,000 to a total of \$5,550,000;
- (b) Staff assessment income: increase of \$26,000 to a total of \$6,149,000.

17. The Advisory Committee concurred (A/4308, para. 10) in the Secretary-General's proposals.

Decisions of the Committee

18. At the 755th meeting the Fifth Committee voted separately on the provision of \$88,000, under section 4, in respect of the Security Council Sub-Committee (see para. 15 above). The provision was approved by 40 votes in favour and 9 against, with 7 abstentions.

19. The Committee then approved by 49 votes in favour and none against, with 9 abstentions, the following recommendations of the Advisory Committee:

- (a) That the draft resolution annexed to the Secretary-General's report (A/C.5/807) should be approved;
- (b) That a revised 1959 estimate of \$5,550,000 for income other than staff assessment should be approved;
- (c) That a revised 1959 estimate of \$6,149,000 for staff assessment income should be approved.

Recommendation of the Committee

20. The Fifth Committee therefore recommends to the General Assembly the adoption of the following draft resolution:

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SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1959

The General Assembly

Resolves that for the financial year 1959 the amount of \$US60,802,120 appropriated by its resolution 1338 (XIII) of 13 December 1958 is increased by \$US854,980 as follows:

	Amount appropriated by resolution 1338 (XIII)	Supplementary appropriation	Revised amount of appropriation
(US dollars)			
A. UNITED NATIONS			
<u>Section</u>			
<u>Part I. Sessions of the General Assembly, the councils, commissions and committees; special meetings and conferences</u>			
1. Travel of representatives, members of commissions and committees	882,500	(62,500)	820,000
2. Special meetings and conferences	1,543,500	348,000	1,891,500
3. Board of Auditors . . .	51,000	-	51,000
TOTAL, PART I	<u>2,477,000</u>	<u>285,500</u>	<u>2,762,500</u>
<u>Part II. Special missions and related activities</u>			
4. Special missions and related activities . .	2,374,600	159,100	2,533,700

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Section	Amount appropriated by resolution 1338 (XIII)	Supplementary appropriation	Revised amount of appropriation
(US dollars)			
4a. Expenses arising from General Assembly resolution 1237 (ES-III) and residual expenses of the United Nations Observation Group in Lebanon	500,000	(164,000)	336,000
5. United Nations Field Service	<u>1,153,800</u>	<u>(34,800)</u>	<u>1,119,000</u>
TOTAL, PART II	<u>4,028,400</u>	<u>(39,700)</u>	<u>3,988,700</u>
<u>Part III. The Secretariat</u>			
6. Salaries and wages . . .	30,802,700	(33,200)	30,769,500
6a. Economic Commission for Africa	500,000	(25,000)	475,000
7. Common staff costs . . .	6,431,500	335,200	6,766,700
8. Travel of staff and members of administrative bodies	1,530,100	165,500	1,695,600
9. Hospitality	25,000	-	25,000
9a. Payments under annex I, paragraphs 2 and 3, of the Staff Regulations	<u>70,000</u>	<u>-</u>	<u>70,000</u>
TOTAL, PART III	<u>39,359,300</u>	<u>442,500</u>	<u>39,801,800</u>
<u>Part IV. Special offices</u>			
10. Office of the United Nations High Commissioner for Refugees	1,398,000	147,200	1,545,200
10a. World Refugee Year . . .	<u>50,000</u>	<u>10,000</u>	<u>60,000</u>
TOTAL, PART IV	<u>1,448,000</u>	<u>157,200</u>	<u>1,605,200</u>

Section	Amount appropriated by resolution 1338 (XIII)	Supplementary appropriation	Revised amount of appropriation
(US dollars)			
<u>Part V. Common services and equipment</u>			
11. General expenses	5,330,000	243,700	5,573,700
12. Printing, stationery and library supplies . . .	2,127,200	-	2,127,200
13. Permanent equipment . .	<u>697,220</u>	<u>(184,220)</u>	<u>513,000</u>
TOTAL, PART V	<u>8,154,420</u>	<u>59,480</u>	<u>8,213,900</u>
<u>Part VI. Technical programmes</u>			
14. Economic development . . .	480,000	-	480,000
15. Social activities	925,000	-	925,000
16. Human rights activities .	100,000	(13,600)	86,400
17. Public administration . .	<u>500,000</u>	<u>(100,000)</u>	<u>400,000</u>
TOTAL, PART VI	<u>2,005,000</u>	<u>(113,600)</u>	<u>1,891,400</u>
<u>Part VII. Special expenses</u>			
18. Special expenses	<u>2,649,500</u>	<u>-</u>	<u>2,649,500</u>
TOTAL, PART VII	<u>2,649,500</u>	<u>-</u>	<u>2,649,500</u>
B. INTERNATIONAL COURT OF JUSTICE			
<u>Part VIII. International Court of Justice</u>			
19. International Court of Justice	<u>680,500</u>	<u>63,600</u>	<u>744,100</u>
TOTAL, PART VIII	<u>680,500</u>	<u>63,600</u>	<u>744,100</u>
GRAND TOTAL	<u>60,802,120</u>	<u>854,980</u>	<u>61,657,100</u>
