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REPORT OF THE AD HOC COMMITTEE OF EXPERTS TO EXAMINE THE FINANCES  
OF THE UNITED NATIONS AND THE SPECIALIZED AGENCIES

Report of the Fifth Committee

Rapporteur: Mr. David SILVEIRA da MOTA (Brazil)

1. The Fifth Committee considered the report submitted to the General Assembly by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies at its 1130th, 1133rd, 1134th and 1135th meetings.

In this connexion, the Committee had before it the following documentation:

A/6289 and Add.1 and 2	First report of the <u>Ad Hoc Committee</u>
A/6343	Second report of the <u>Ad Hoc Committee</u>
A/6465	Note by the Secretary-General
A/6475	Tenth report of the Advisory Committee on Administrative and Budgetary Questions
A/C.5/1065	Statement of the Secretary-General introducing the budget estimates for 1967
A/C.5/1073	Statement by the Chairman of the <u>Ad Hoc Committee</u>
A/C.5/L.873 and Add.1 and 2	Draft resolution sponsored by seventy-one Member States
A/C.5/1077	Statement of financial implications: report by the Secretary-General

2. All delegations expressed their gratitude to the Ad Hoc Committee, and its Chairman, Mr. Mario Majoli, for the extremely valuable report and the recommendations it had submitted. Most of the delegations taking part in the debate on this item directed their remarks principally to the second report submitted by the Ad Hoc Committee (A/6343); however, there were some who put forward

their Governments' views on the Ad Hoc Committee's first report (A/6289 and Add.1 and 2) relating to the financial position of the United Nations. These delegations expressed the hope that, on the basis of this analysis of the Organization's financial situation, further voluntary contributions to assist the United Nations would be forthcoming.

3. All delegations welcomed the second report and the recommendations of the Ad Hoc Committee. There was general agreement that the speedy implementation of those recommendations by the United Nations, the specialized agencies and the International Atomic Energy Agency would help to improve the co-ordination of administrative, budgetary and conference servicing arrangements among the United Nations and the related agencies, and would also result in greater efficiency and more economical use of available resources. Much emphasis was given to the necessity for the United Nations and the specialized agencies to arrange for the early implementation of the Ad Hoc Committee's recommendations which were, after all, only the first stage in the process of bringing about such an improvement. Some delegations expressed reservations concerning the extent and feasibility of implementation of certain of the Ad Hoc Committee's recommendations and cautioned that the adoption of these in themselves could not be considered a remedy for all the financial and administrative problems existing in the United Nations system. Some delegations pointed out that the Ad Hoc Committee had not been able to agree on a number of questions - such as the United Nations bond issue and the harmonization of rates of assessments of Member States within the United Nations system of organizations - to which they attached particular importance and which required, in their view, further study by the General Assembly. Other delegations expressed their concern that no recommendations had been made on the exclusion from the regular budget of expenditures for measures adopted in violation of the Charter and on the transfer to the United Nations Development Programme of expenditures for the regular programme of technical assistance.

4. Some delegations expressed their concern that implementation of the Ad Hoc Committee's recommendation should not result in a decrease in the resources made available for assistance to the developing countries, and that it was on this understanding that they were supporting the draft resolution under consideration.

5. Varying views were expressed on the benefits to be derived from the United Nations adopting a biennial budgetary cycle, and most delegations welcomed the suggestion that the Secretary-General be requested to study this question thoroughly and report thereon to the General Assembly at its twenty-second session.

6. Most delegations endorsed the Ad Hoc Committee's recommendation on the establishment of an inspection unit, although some speakers were concerned that the activities of such a unit should be co-ordinated with the expanded functions of the United Nations Board of Auditors and the common panel of external auditors. One delegation expressed the view that the Secretary-General, in undertaking the study on the establishment of a common panel of external auditors for the United Nations family of organizations, should attempt to clarify the relationship to be established between such a panel and the existing Panel of External Auditors, whose duties are set forth in General Assembly resolution 1438 (XIV), as well as with the United Nations Board of Auditors. Another delegation suggested that, in the course of inter-organizational consultations, the possibility be considered of electing the members of the inspection unit by the General Assembly (with the participation of States members of the specialized agencies) and that the independence and functions of the unit be set out in a special statute.

7. France, on behalf of the sponsors, introduced the draft resolution submitted by the following Member States: Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Byelorussian Soviet Socialist Republic, Cameroon, Canada, Central African Republic, Chad, Chile, Congo (Democratic Republic of), Cyprus, Czechoslovakia, Denmark, Ecuador, Ethiopia, Finland, France, Gabon, Ghana, Greece, Guatemala, Hungary, India, Iran, Iraq, Ireland, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Kuwait, Liberia, Libya, Madagascar, Mali, Malta, Mexico, Mongolia, Morocco, Netherlands, New Zealand, Niger, Nigeria, Norway, Peru, Philippines, Poland, Romania, Rwanda, Senegal, Sierra Leone, Spain, Sweden, Syria, Togo, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Uruguay and Yugoslavia (A/C.5/L.873 and Add.1 and 2).

8. The Committee was provided with a statement of financial implications (A/C.5/1077) of the implementation of the Ad Hoc Committee's recommendations,

and the Chairman of the Advisory Committee on Administrative and Budgetary Questions made a statement to the Fifth Committee in this connexion. A question was raised concerning the estimated costs of meetings of the proposed reconstituted Special Committee on Co-ordination of the Economic and Social Council, redesignated by the Council at its forty-first session as the Committee on Programme and Co-ordination, and the representative of the Secretary-General, in response, explained that unless the General Assembly decided that the members of that Committee were to be treated as experts serving in their individual capacity, the United Nations would not be called upon to bear any expense related to their travel and subsistence.

9. The Chairman of the Advisory Committee noted that the Secretary-General intended to meet the expenses tentatively estimated in the statement of financial implications under the terms of paragraph 1 of the resolution relating to unforeseen and extraordinary expenses for 1967 and to request approval of the General Assembly at the twenty-second session for such supplementary credits as might prove to be necessary to cover these expenditures. It was his view that, as far as the financial implications of some of the recommendations of the Ad Hoc Committee were concerned and in the absence of any firm estimates which could be included in the 1967 budget, no other course of action was available to the Secretary-General. If, however, more precise estimates could be submitted to the Fifth Committee before it decided on the budget for 1967 in second reading, such estimates could still be included.

10. The suggestion of the Advisory Committee that the Secretary-General be requested to submit an interim report to it on the implementation of the recommendations of the Ad Hoc Committee was generally welcomed. It was further suggested that the report also be transmitted to the Economic and Social Council at its summer session.

11. The Committee unanimously adopted the seventy-one Power draft resolution (A/C.5/L.873 and Add.1 and 2).

#### RECOMMENDATION OF THE FIFTH COMMITTEE

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

Report of the Ad Hoc Committee of Experts to Examine the Finances  
of the United Nations and the Specialized Agencies

The General Assembly,

Recalling General Assembly resolution 2049 (XX) of 13 December 1965 establishing the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies,

Noting with appreciation the work done by the Ad Hoc Committee with the co-operation of the United Nations Secretariat, the specialized agencies and the International Atomic Energy Agency and other organs of the United Nations family of organizations,

Noting further that the Ad Hoc Committee, in compliance with paragraph 6 (d) of the above-mentioned resolution, has submitted its recommendations to the General Assembly in its report dated 19 July 1966,<sup>1/</sup>

Bearing in mind that certain subsequent actions must be taken by Member States, the United Nations organs and related bodies, and the specialized agencies and the International Atomic Energy Agency to ensure the effective implementation of the recommendations made by the Ad Hoc Committee of Experts,

Recognizing that the full implementation of the recommendations made by the Ad Hoc Committee would also require the co-operation of the specialized agencies and the International Atomic Energy Agency in the spirit of Article 58 of the Charter of the United Nations and in the light of the agreements between them and the United Nations,

1. Approves the above-mentioned report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies and the recommendations contained therein;
2. Urges that the recommendations and comments contained in the report be given the most attentive consideration by Member States and by the United Nations organs and related bodies with a view to the earliest implementation of the recommendations;
3. Requests the Secretary-General, as chief administrative officer of the United Nations, to take the appropriate measures to give effect to those recommendations requiring his action, including the submission of proposals to the competent organs and related bodies of the United Nations;

<sup>1/</sup> A/6343.

4. Recommends to the specialized agencies and the International Atomic Energy Agency to give the most attentive consideration to the recommendations contained in the report and to take appropriate measures, within their respective areas of competence, with a view to the earliest possible implementation;

5. Requests the Secretary-General, as Chairman of the Administrative Committee on Co-ordination, to encourage the adoption of the appropriate measures by the specialized agencies and the International Atomic Energy Agency, particularly those requiring concerted action;

6. Further requests the Secretary-General to transmit the present resolution and the report of the Ad Hoc Committee to the specialized agencies and the International Atomic Energy Agency;

7. Invites the Secretary-General to submit to the General Assembly at its twenty-second session a report on the implementation of the recommendations of the Ad Hoc Committee for the United Nations family of organizations.

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