



Thirteenth session
Agenda item 43

SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1958

(PART I)

Eighth report of the Advisory Committee on Administrative and Budgetary
Questions to the thirteenth session of the General Assembly

I. GENERAL COMMENTS

1. The Secretary-General has submitted (A/3922) the first part of the supplementary estimates for 1958 in the amount of \$2,404,550 (gross).^{1/} At the same time additional income of \$400,000 from staff assessment is anticipated.
2. In his report the Secretary-General has indicated that further supplementary estimates will be presented in due course in respect of the following items of expenditure:
 - (1) The United Nations Observation Group in Lebanon (UNOGIL);
 - (2) Action taken in terms of resolution 1237 (ES-111) adopted by the General Assembly at its third emergency special session;
 - (3) A further conference to conduct negotiations on the question of suspension of nuclear tests, which is due to begin in Geneva on 31 October 1958;
 - (4) Any decision the General Assembly might take in respect to a possible proposal for an upward revision of the Headquarters post adjustment for Professional staff, to which reference is made in the Secretary-General's foreword to the budget estimates for 1959.

^{1/} Throughout the present report, unless otherwise specified, figures are shown on a gross basis.

3. The supplementary appropriations proposed at the present stage may be divided into the following main categories:

(a) Additional requirements in respect of unforeseen and extraordinary expenses:

	\$	\$
(i) Commitments relating to peace and security . .	197,500	
(ii) Third Emergency Special Session of the General Assembly	130,000	
(iii) Commitments entered into with the prior concurrence of the Advisory Committee	344,500	
(iv) Commitments relating to <u>ad hoc</u> judges of the International Court and to pensions of judges not re-elected	23,400	
(v) Other unforeseen expenses	18,300	713,700
(b) Additional requirements for items covered by the initial appropriations	1,873,350	
Total additional requirements	2,587,050	
<u>Less</u> adjustments and compensatory savings	182,500	
Total supplementary estimates now submitted	2,404,550	

4. In recent years the Advisory Committee has expressed particular concern at the magnitude of the supplementary estimates in respect of items covered by the initial appropriations. Substantial deficits arose in 1956 and 1957 and the Advisory Committee recommended (A/3750, para. 3)^{2/} that those deficits should not be allowed to create a precedent whereby overspending became an accepted practice. The Committee also expressed the view that while over-expenditures might be understandable in certain accounts, major deficits represented an abrogation of the intent of the General Assembly as expressed in the initial budget appropriations for any one year. These views and

^{2/} Official Records of the General Assembly, Twelfth Session, Annexes, agenda item 40.

recommendations of the Advisory Committee were approved by the General Assembly in resolution 1222 (XII) of 14 December 1957.

5. It is therefore cause for continued concern that the General Assembly, at a time when the total expenses of the Organization are likely to reach a new high level, is again faced with a request for sizeable supplementary appropriations for items covered by the initial appropriations. The impact of these supplementary estimates is even more serious inasmuch as substantial further requirements are anticipated for the purposes stated in paragraph 2 above.

6. In these circumstances, the Advisory Committee, in considering the supplementary estimates now presented, has been especially conscious of the need for the maximum practical efforts towards the strictest possible economy. Such efforts will be facilitated this year by the submission of the supplementary estimates earlier than in the past, thus enabling the Fifth Committee to consider this item at the beginning of its session. The Advisory Committee hopes that in the future the Secretary-General will find it possible to make his submission relating to any necessary supplementary estimates early in September of each year, as envisaged at the twelfth session of the General Assembly (A/3750, para. 7).

7. The Advisory Committee was assisted in its examination of the Secretary-General's estimates by the review which it undertook at its summer session of the 1958 budgetary situation in the light of expenditures at 31 May. At the time of the mid-year review the estimated total of supplementary requirements was put at \$1,800,000. The present estimate of \$2,404,550, based on the level of expenditure reached by 31 August, therefore shows an increase of \$604,550, due in some measure to unforeseen needs since June.

8. The Advisory Committee recognizes that the greater proportion of the supplementary estimates is intended to cover expenditures which at the present stage have either occurred or are unavoidable. The Committee has therefore sought to isolate areas of expenditure in which, with special efforts during the remainder of the year, some economies may yet be effected. To this end, a break-down of the additional requirements for items covered in the initial appropriations - as opposed to unforeseen expenses - is given below:

	\$	\$
(a) Increased expenses resulting from revisions in salary scales, authorized by the Secretary-General in accordance with the Staff Regulations:		
(i) Increases effective 1 January 1958 in the salary scales for staff in the General Service and Manual Worker categories at New York and at Geneva (sections 6, 7 and 10)	627,000	
(ii) Increases in Field Service salary scales, effective 1 September 1958. (sections 4 and 5)	<u>52,000</u>	679,000
(b) Increased requirements to meet "statutory" payments in respect of:		
(i) Travel of representatives to regular sessions of the General Assembly (section 1)	71,300	
(ii) Common staff costs (section 7)	427,100	
(iii) Travel on home leave (section 8)	<u>87,000</u>	585,400
(c) Additional requirements at Headquarters as a result of rising prices and wages (section 13)		150,500
(d) Increases relating to the maintenance of basic staff and general services for the work of the Organization, reflecting increased activity of the Organization:		
(i) Salaries and wages (section 6)	202,150	
(ii) Travel of staff to meetings and travel on official business (section 8)	10,800	
(iii) General expenses (section 13)	222,900	
(iv) Permanent Central Opium Board and Drug Supervisory Body (section 11)	2,300	
(v) Joint Staff Pension Board and United Nations Staff Pension Committee (section 12)	9,800	
(vi) The International Court of Justice (section 21).	7,000	
(vii) Office of the United Nations High Commissioner for Refugees (section 10)	<u>3,500</u>	<u>458,450</u>
Total		<u>1,873,350</u>

9. Items (a) and (b) above constitute, in the main, expenditure that cannot be avoided except to the extent that it proves practicable to defer to 1959 settlement of certain travel claims relating to regular sessions of the General Assembly or to postpone home leave. The Advisory Committee has, however, offered comment under section 6 below on the general question of revisions of salary scales.

10. Item (c) offers somewhat more scope for limited savings, while one must look to item (d) for any significant economies during the remainder of the year. In this regard, the expenditure actually incurred to date or, for convenience of availability of figures, until 31 August is a significant factor.

11. The Advisory Committee has accordingly examined individual budget sections in the light of these considerations, and its comments and recommendations thereon are given later in the present report. The Committee wishes to note, however, that, out of the fifteen budget sections which permit variation in the level of expenditure, it is anticipated that the initial appropriations will be exceeded in all but four of those sections. This, in turn, adds to the difficulty, within the initial total appropriation, of trying to meet additional requirements under one section by transferring anticipated surpluses from one or more of the other sections.

12. The reductions recommended by the Advisory Committee are summarized below:

<u>Section</u>	<u>Reduction in the revised estimate</u> \$
6. Salaries and wages	85,000
7. Common staff costs	50,000
8. Travel of staff	20,000
13. General expenses	24,500
14. Printing, stationery and library supplies . .	20,000
	<u>199,500</u>

13. The Advisory Committee accordingly recommends that for the financial year 1958, the amount of \$US55,062,850 appropriated by the General Assembly in resolution 1230 (XII) of 14 December 1957 should be increased by \$2,205,050. The Committee also recommends an increase of \$400,000 in the approved estimate of \$5,370,000 for income from staff assessment in 1958.

/...

II. DETAILED RECOMMENDATIONS

Section 1. Travel of representatives, members of commissions and committees

	\$
Revised estimate submitted by the Secretary-General	846,700
Revised estimate recommended by the Advisory Committee	846,700
Initial appropriation	638,800

14. Expenditure under this section is determined by the size of claims presented by Member Governments or by individuals, when appropriate, in accordance with entitlements authorized by the relevant decisions of the General Assembly. In the case of a regular session of the Assembly, existing regulations provide for the payment by the United Nations of travel costs in respect of a maximum of five representatives from each Member State, and the average annual cost to the Organization is estimated at \$375,000.

Section 2. Special meetings and conferences

	\$
Revised estimate submitted by the Secretary-General	2,302,000
Revised estimate recommended by the Advisory Committee	2,302,000
Initial appropriation	2,250,000

15. The increase of \$52,000 under this section relates to the estimated cost of the Conference of Experts to Study the Possibility of Detecting Violations of a Possible Agreement on the Suspension of Nuclear Tests which was held at Geneva from 1 July to 21 August 1958. The Secretary-General incurred this expense under the authority of paragraph 1 (a) of resolution 1231 (XII) relating to unforeseen expenses for the maintenance of peace and security. While noting the Secretary-General's intention to follow the same procedure in respect of a further conference on suspension of nuclear tests which is due to begin at Geneva on 31 October 1958, the Advisory Committee considers that, in cases of this kind, it would be useful, from a financial and administrative point of view, if, where practicable, the Committee could be kept currently informed of the arrangements made.

16. The Advisory Committee concurs in the Secretary-General's proposal in paragraph 26 of his report that the estimated amount of \$39,400, representing

printing expenses in respect of the Conference on the Law of the Sea, which cannot be covered in the appropriation of \$250,000 for the Conference, should be charged to section 14 of the 1958 budget. The Committee would suggest, however, that at the end of the year this expenditure should be transferred back to section 2 in order to show the total costs of the Conference under one budgetary section. The Committee also agrees that, as requested in paragraph 28 of his report, the Secretary-General should be given the authority to charge to the 1959 provision in respect of the Second Conference on the Peaceful Uses of Atomic Energy such expenses relating to the Conference as may be incurred in excess of the \$2 million appropriated for 1958.

Section 3. Board of Auditors

	\$
Revised estimate submitted by the Secretary-General	53,000
Revised estimate recommended by the Advisory Committee	53,000
Initial appropriation	53,000

Section 4. Special missions and related activities

	\$
Revised estimate submitted by the Secretary-General	2,140,000
Revised estimate recommended by the Advisory Committee	2,140,000
Initial appropriation	2,082,900

17. The increase of \$57,100 relates in part to expenditures incurred for the maintenance of peace and security under paragraph 1 (a) of resolution 1231 (XII) and in part to expenditures for the Good Offices Committee on South West Africa, which received the prior concurrence of the Advisory Committee. It is noted that a review of requirements under each chapter of this section enabled additional requirements to be held below the actual cost of the new items.

Section 5. United Nations Field Service

	\$
Revised estimate submitted by the Secretary-General	914,400
Revised estimate recommended by the Advisory Committee	914,400
Initial appropriation	893,600

/...

18. The net increase of \$20,800 reflects the introduction, effective 1 September 1958, of higher pay scales for the Field Service, authorized by the Secretary-General in accordance with annex 1, paragraph 6, of the Staff Regulations. It is noted that the actual cost of the increase has been partially offset by savings of \$31,200 under a number of chapters under the section. The increased salary scales are accompanied by reductions in mission allowances, with a consequential saving of \$18,700 under section 4. It was possible in this case for the Advisory Committee to be informed in advance about the proposed action.

Section 6. Salaries and wages

	\$
Revised estimate submitted by the Secretary-General	28,485,000
Revised estimate recommended by the Advisory Committee	28,400,000
Initial appropriation	27,685,250

19. \$552,600 of the proposed increase of \$799,750 is accounted for by the 5 per cent increase in the salaries of General Service staff and manual workers at Headquarters and Geneva. A further part of the increase is due to unforeseen items such as temporary assistance and overtime for the third emergency special session. The balance of the increase is attributed in the main to additional costs for replacement of staff detailed to political missions and increased requirements for normal temporary assistance and overtime. While the Advisory Committee does not question the need for a substantial part of the proposed increase, it considers that special efforts should be made during the remainder of 1958 to alleviate the total financial burden by the utmost possible economy under this section. Accordingly the Committee recommends a reduction of \$85,000 in the revised estimate submitted by the Secretary-General.

20. In regard to the 5 per cent increase in the salaries of General Service staff and manual workers reflected in this supplementary estimate, the Advisory Committee would recall that annex 1, paragraph 7, of the Staff Regulations provides that the Secretary-General shall fix the salary scales for these staff members "normally on the basis of the best prevailing conditions of employment in the locality of the United Nations Office concerned". While

the Secretary-General's authority in this matter is beyond question, the Advisory Committee trusts that the regulation is interpreted in practice, not as mechanical and automatic, but as permitting the Secretary-General sufficient latitude to apply it in the best interests of the Organization, with due regard, inter alia, to the Organization's financial situation. In this respect, the Committee feels that the existence of the word "normally" in the text of the regulation is not without practical significance.

Section 6a. Economic Commission for Africa

	\$
Revised estimate submitted by the Secretary-General	185,000
Revised estimate recommended by the Advisory Committee	185,000
Initial appropriation	-

21. The prior concurrence of the Advisory Committee was sought and obtained in regard to the estimated requirements of the Economic Commission for Africa in 1958.

Section 7. Common staff costs

	\$
Revised estimate submitted by the Secretary-General	6,317,000
Revised estimate recommended by the Advisory Committee	6,267,000
Initial appropriation	5,830,000

22. For reasons of financial stringency similar to those stated under its recommendations under section 6, the Advisory Committee recommends that the increase of \$487,000 under this section should be reduced by \$50,000, the necessary savings to be sought under the provisions for "recruitment, transfer and separation costs" and "other common staff costs".

Section 8. Travel of staff

	\$
Revised estimate submitted by the Secretary-General	1,520,000
Revised estimate recommended by the Advisory Committee	1,500,000
Initial appropriation	1,422,200

23. As another practical measure to lighten the general financial burden facing Members at the present time, the Advisory Committee recommends that a special effort should be made to achieve savings of \$20,000 under this section during the remainder of the year, either by the elimination or postponement of all but the most essential official travel or by any other means which the Secretary-General might deem appropriate.

Section 9. Hospitality

Section 9a. Payments under annex 1, paragraphs 2 and 3, of the Staff Regulations

	\$
Revised estimates submitted by the Secretary-General	85,000
Revised estimates recommended by the Advisory Committee :	85,000
Initial appropriation	85,000

Section 10. Office of the United Nations High Commissioner for Refugees

	\$
Revised estimate submitted by the Secretary-General	756,000
Revised estimate recommended by the Advisory Committee	756,000
Initial appropriation	739,700

24. While the Advisory Committee is prepared to concur in the Secretary-General's revised estimate under this section, it wishes to note the fact that the creation of the posts of a second officer (administrative) and of an assistant officer (legal) in the course of 1958 was without the prior authorization either of the General Assembly or of the Advisory Committee.

Section 11. Permanent Central Opium Board and Drug Supervisory Body

	\$
Revised estimate submitted by the Secretary-General	101,500
Revised estimate recommended by the Advisory Committee	101,500
Initial appropriation	99,200

Section 12. Joint Staff Pension Board and United Nations Staff Pension Committee

	\$
Revised estimate submitted by the Secretary-General	144,400
Revised estimate recommended by the Advisory Committee	144,400
Initial appropriation	134,600

Section 13. General expenses

	\$
Revised estimate submitted by the Secretary-General	5,444,500
Revised estimate recommended by the Advisory Committee	5,420,000
Initial appropriation	5,026,100

25. The Advisory Committee notes that \$328,700 of the proposed increase of \$418,400 is attributed to unavoidable increases, as stated in paragraph 70 of the Secretary-General's report (A/3922), for purposes such as rate and wage increases; additional requirements, matched by income, for television services; and certain costs relating to the third emergency special session of the General Assembly. The remaining \$89,700 is stated to be due to additional servicing needs resulting from the increased activity of the Organization, particularly in the political field. The main burden here is said to fall on communications services. The Advisory Committee believes that there is need in this area for a constant and continuous effort to foster a sense of economy which, together with the imposition of stricter controls, should lead to some savings. The Committee accordingly recommends a reduction of \$24,500 in the revised estimate for this section.

Section 14. Printing, stationery and library supplies

	\$
Revised estimate submitted by the Secretary-General	2,189,900
Revised estimate recommended by the Advisory Committee	2,169,900
Initial appropriation	2,169,900

26. The Advisory Committee recommends that the estimated additional expenditure of \$20,000 for the printing of the Official Records of the third emergency special session should be met from available funds under this section, if necessary through a deferral of other less urgent printing.

Section 15. Permanent equipment

	\$
Revised estimate submitted by the Secretary-General	507,000
Revised estimate recommended by the Advisory Committee	507,000
Initial appropriation	507,000

/...

27. Although the Advisory Committee does not believe that it is in practice feasible at this stage to effect any significant savings under this section, it should be noted that this is one large section where, in a situation of financial stringency, savings should have been achieved, if necessary, through an "austerity" programme in respect of furniture, fixtures and equipment.

Section 16. Technical Assistance Administration

Section 17. Economic development

Section 18. Social activities

Section 18a. Human rights activities

Section 19. Public administration

	\$
Revised estimate submitted by the Secretary-General	2,146,100
Revised estimate recommended by the Advisory Committee	2,146,100
Initial appropriation	2,146,100

Section 20. Special expenses

	\$
Revised estimate submitted by the Secretary-General	2,649,500
Revised estimate recommended by the Advisory Committee	2,649,500
Initial appropriation	2,649,500

Section 21. International Court of Justice

	\$
Revised estimate submitted by the Secretary-General	680,400
Revised estimate recommended by the Advisory Committee	680,400
Initial appropriation	650,000

Income

	\$
Revised estimate submitted by the Secretary-General	5,770,000
Revised estimate recommended by the Advisory Committee	5,770,000
Initial appropriation	5,370,000

28. The Advisory Committee notes from paragraphs 91, 92 and 93 of the Secretary-General's report (A/3922) that, while a possible shortfall in income, which is anticipated under certain headings, has not been taken into account at this time,

/...

an increase of \$80,000 is expected to arise as a result of expanded television services provided for under section 13. In addition, there is a possibility of some income in 1958 from the sale of records of the Second United Nations Conference on the Peaceful Uses of Atomic Energy. The Advisory Committee hopes, therefore, that actual income in 1958 will exceed the revised estimate, although no change is recommended in the estimates, which have little practical significance in terms of 1959 assessments.
