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SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1963

Report of the Fifth CommitteeRapporteur: Mr. Raouf BOUDJAKDJI (Algeria)

1. The Fifth Committee considered the supplementary estimates for 1963 in two parts, at meetings held on 3, 8 and 9 October 1963 (1009th, 1012th and 1013th meetings) and 28 November 1963 (1048th meeting).
2. The following table shows the total revised estimates for 1963:

	Secretary-General's proposals	Advisory Committees' recommendations	Fifth Committee's recommendation to the General Assembly
<u>United States dollars</u>			
Revised estimates:			
Part I of the present report.....	(983,000)	(1,034,500)	(1,034,500)
Part II of the present report.....	<u>31,000</u> ^{a/}	<u>30,500</u> ^{a/}	<u>30,500</u> ^{a/}
1963 appropriation (General Assembly resolution 1861 A (XVII))			<u>93,911,050</u>
Revised estimate for 1963.....			92,876,550

a/ To be absorbed by a transfer between appropriation sections (see para. 17 below).

INCOME

Income from staff assessment

Approved estimate (General Assembly resolution 1861 B (XVII)).....	9,101,000
Estimated decrease.....	<u>(170,000)</u>
Revised estimate for 1963.....	8,931,000

Other income

Approved estimate (General Assembly resolution 1861 B (XVII)).....	6,146,500
Estimated increase.....	<u>113,000</u>
Revised estimate for 1963	6,259,500

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3. Part I of the supplementary estimates was examined on the basis of reports of the Secretary-General (A/5525) and the Advisory Committee on Administrative and Budgetary Questions (A/5558).

4. The Secretary-General's estimate of a decrease of \$983,000 in the budgetary requirements for 1963 was arrived at in the following manner:

United States dollars

Additional requirements

(a) Unforeseen and extraordinary expenses authorized under the terms of General Assembly resolution 1862 (XVII)	343,900
(b) Expenses arising from the application of the Staff Regulations and Rules	56,700
(c) Other additional requirements	<u>456,500</u>
	857,100

Surpluses

(a) Section 2, Special meetings and conferences	46,700	
(b) Section 3, Salaries and wages	360,800	
(c) Section 4, Common staff costs	36,500	
(d) Section 11, Printing	<u>26,900</u>	<u>(970,900)</u>
	Decrease	<u>(113,800)</u>

Unobligated balances

Conference on Trade and Development (section 2)	700,000	
Service of United Nations bonds (section 12)	<u>169,200</u>	<u>(869,200)</u>
	Total net decrease	<u>(983,000)</u>

5. Income other than staff assessment was estimated at \$6,259,500, or an increase of \$113,000, while staff assessment income was estimated at \$8,931,000, or a decrease of \$170,000.

6. In its report (A/5558) the Advisory Committee on Administrative and Budgetary Questions recommended, for the reasons given in paragraphs 10 to 28, that the revised appropriations proposed by the Secretary-General should be reduced by the following amounts:

	\$
Section 2, Special meetings and conferences	17,500
Section 8, Permanent equipment	16,500
Section 10, General expenses	10,500
Section 18, Special missions	<u>7,000</u>
Total	\$51,500

The revised appropriations accordingly recommended by the Advisory Committee were as follows:

	\$
1963 appropriations (General Assembly resolution 1861 A (XVII) of 20 December 1962)	93,911,050
Decrease recommended by the Advisory Committee .	<u>1,034,500</u>
Revised appropriations	\$92,876,550

Less estimated income, as adjusted under
the recommendations of the Secretary-
General and the Advisory Committee:

	\$	
(a) Income from staff assessment . .	8,931,000	
(b) Income from other sources . . .	<u>6,259,500</u>	<u>15,190,500</u>

Revised net
appropriations
recommended by
the Advisory
Committee \$77,686,050

7. Most of the delegations taking part in the discussion welcomed the results which the Secretary-General's report disclosed. For the first time in many years a net reduction was proposed in the level of the budget appropriations as initially approved and while it was true that fortuitous circumstances (for example, the postponement of the Conference on Trade and Development and difficulties of recruitment to vacant professional posts) accounted for a substantial drop in expenditure, the Secretary-General had unquestionably made a commendable effort to administer the 1963 budget economically. It was also gratifying that, in contrast to the experience of 1962, it had not proved necessary to make heavy supplementary provision under section 18, Special missions and related activities. In general, these delegations felt that the comments made by the Fifth Committee at the previous session^{1/} in regard to the need for the General Assembly and the Main Committees to conform to the letter and the spirit of financial regulation 13.1 and rule 15⁴ of the Assembly's rule of procedure had had a salutary effect. They also endorsed the view of the Advisory Committee that many of the supplementary items under section 8 and some of those under section 10 could not properly be regarded as unforeseeable expenses,^{2/} as well as the broad principle that "as a rule, budget appropriations approved by the General Assembly set limits on expenditure which should not be exceeded", and that "commitments or expenditure over and above these appropriations should be considered only if they could not have been foreseen at the time the appropriations were approved and are of an extraordinary nature" (A/5558, paras. 12, 13).

8. Some representatives, however, considered that the principle laid down by the Advisory Committee (A/5558, para. 13) predicated a degree of perfection that would be difficult to achieve. Since firm financial control was always exercised

1/ Official Records of the General Assembly, Seventeenth Session, Annexes, agenda item 61, document A/5384, paras. 7-10.

2/ The items thus queried by the Advisory Committee included the following:
Section 8, chapter I, Purchase of furniture and office equipment
Section 8, chapter IV, Reinforcement of security measures at Headquarters
Section 10, chapter I, Expanded use of cables and air mail in lieu of surface mail
Section 10, chapter VI, Purchase of library books.

both by the Secretary-General and by the Advisory Committee, it would be reasonable to grant the Secretary-General some latitude where, in the course of a year, there was evident need for a supplementary provision. The Fifth Committee should not cavil at increases for such items as furniture and equipment and improved security arrangements, or at the possible need for increases in contractual services. The justification offered by the Advisory Committee (A/5558, para. 15) for a cut of \$17,500 in the 1963 provision for the Conference on Trade and Development (section 2, chapter VII) appeared to be somewhat tenuous. The preparatory work for the Conference was of the highest importance, there was already a shortage of statisticians and economists within the Department of Economic and Social Affairs, and highly specialized experts must of necessity be engaged from outside sources, if the Conference was not to be delayed. In general, it was to be hoped that the General Assembly would allow the greatest administrative flexibility consonant with adequate control.

9. Criticism was voiced by some delegations. In their opinion, the surplus of \$983,000 was, as to 90 per cent, unrelated to administrative efficiency or economy. \$700,000 of that amount arose out of the postponement of the Conference on Trade and Development, while a further \$169,200 was attributable to the fact that sales of United Nations bonds had fallen short of the estimate. The true surplus of \$113,800 should have been very much larger; that would have been possible had there been a strict regard to budgetary and financial procedures and a proper exercise of administrative control. The Advisory Committee had rightly pointed out that the appropriations voted by the General Assembly set limits on the expenditure to be incurred under the several sections of the budget. Unfortunately, both the Secretariat and certain of the United Nations organs paid scant attention to the financial regulations. The virtual doubling of the costs of the forthcoming Conference on Trade and Development was a case in point, reflecting a careless and uneconomic approach on the part of the Council and the Secretariat. Furthermore, it was clear that year by year excessive estimates were submitted under section 3, Salaries and wages. For the section as a whole the Secretary-General anticipated a surplus of about \$860,000, while the surplus under chapter I, Established posts, was estimated at

more than \$1 million. Those figures demonstrated that the staff of the Secretariat was too large and the budgetary provision too liberal. The increase in established posts authorized at the previous session of the General Assembly had raised the number of vacant posts in the first part of 1963 to over 200, and it was not until August 1963 that any marked decrease had occurred. In general, there was need for a more rational use of staffing resources, for a policy of strict budgetary control and for higher standards of administrative efficiency. The Advisory Committee could help in the matter by renewing the practice of making periodic studies of selected areas of the Secretariat; in former years it had singled out one or two departments for exhaustive study, and that was one of many means whereby economy could be imposed upon the Secretariat. These delegations also considered that certain items in the estimates were contrary to the Charter: in particular, the expenses connected with the United Nations bond issue and the Memorial Cemetery in Korea under section 12, and those relating to the Korean Commission and the Palestine Truce Supervision Organization under section 18.

10. The Chairman of the Advisory Committee pointed out that the Committee had been anxious to make a special review of the whole area of economic and social activities. It was, however, necessary to await the study on which the Administrative Management Service had been engaged for many months. The Advisory Committee subscribed whole-heartedly to the principle of periodic surveys and would continue to undertake them in the future. On other points raised in the course of the discussion, he considered that the slight reduction recommended in the 1963 provision for the Conference on Trade and Development would not affect the preparatory work adversely. Normally, some 3,000 pages of documentation were prepared for the sessions of the three main functional commissions of the Economic and Social Council. As those commissions would not be holding sessions in 1964, it could reasonably be assumed that some staff time could be diverted to other tasks, including those connected with the Conference. As regards the large surplus under chapter I of section 3, he assured the Committee that neither the Advisory Committee nor the Secretary-General had reason to be pleased about the outcome. The fact that

so many professional posts had remained vacant for the greater part of the year 1963 might of course create the impression that the Secretary-General could dispense with them. That was not the case; the Advisory Committee was satisfied that all of the posts were necessary, and it understood that, as a result of the recruitment delays, an unduly heavy burden had fallen on some sections of the staff and that in certain instances programmes had been retarded.

11. The representative of the Secretary-General assured the Committee that the Secretariat would pay close attention to the observations and criticisms made during the debate. Some delegations had taken the Secretary-General to task for not being able to report any "real savings". The Secretary-General had not claimed to have achieved savings; he had however made a conscious and sustained effort to hold down expenditure. Moreover, apart from the unexpended balances in connexion with the Conference on Trade and Development and with the service of the United Nations bonds, unforeseen and extraordinary expenditure or expenditure relating to statutory requirements had been absorbed, to an amount exceeding \$400,000, within the limits of the appropriations. That meant that the real reduction in expenditure was much higher than the figure of some \$113,000 which had been mentioned. In any case, there was no basic difference of views between the Secretary-General and the Advisory Committee, even though the former could not agree with all the reasons put forward by the Committee in support of its recommendations. As regards the size of the surplus under section 3, the Secretary-General was the first to regret that recruitment to the vacant professional posts had not moved fast enough. Everything possible was being done to remedy the situation. Similarly, in regard to sections 8 and 10, the Secretary-General did not contest the basic philosophy outlined by the Advisory Committee (A/5558, paras. 12, 13) and by some delegations. It was, however, quite impossible to forecast, eighteen months in advance, every detailed requirement with precision. The Secretariat would continue to do its utmost to keep within the limits of the authorized appropriations, but it could not undertake to adhere exactly to every single budget line, unless it was to abandon the policy of a tight budget, which would be contrary to established practice and to the requirements of a sound administration.

DECISIONS OF THE FIFTH COMMITTEE

12. At the 1013th meeting, the Committee voted on those sections of the supplementary estimates, as recommended by the Advisory Committee (A/5558, paras. 17, 18, 23, 26 and 28), which differed from the original appropriations. The result of the voting was as follows:

Appropriation section	Revised estimate	In favour	Against	Abstentions
	<u>United States dollars</u>			
2 Special meetings and conferences	2,972,900	69	0	1
3 Salaries and wages	43,627,000	61	11	0
4 Common staff costs	10,159,000	61	0	11
8 Permanent equipment	520,000	62	0	11
9 Maintenance, operation and rental of equipment	3,709,300	62	0	11
10 General expenses	4,150,000	62	0	11
11 Printing	1,456,850	62	0	11
12 Special expenses	4,798,100	62	11	3
13 Economic development	2,095,000	65	0	11
15 Human rights activities	180,000	65	0	11
18 Special missions	2,600,900	63	11	2
20 Office of the United Nations High Commissioner for Refugees	2,583,700	65	0	11

13. The Committee also voted on the income sections of the 1963 budget in respect of which the Advisory Committee had recommended (A/5558, para. 31) estimates differing from those originally approved. The result of the voting was as follows:

Income section	Revised estimate	In favour	Against	Abstentions
	<u>United States dollars</u>			
1 Staff assessment income	8,931,000	Unanimous		
3 General income	1,880,300	Unanimous		
4 Sale of United Nations postage stamps	1,360,000	Unanimous		
5 Sale of publications	511,000	Unanimous		
6 Services to visitors and catering services	723,500	Unanimous		

14. Part II of the supplementary estimates for 1963 arose under agenda item 77 concerning the violation of human rights in South Viet-Nam. At its 1048th meeting, held on 28 November 1963, the Committee considered a report of the Secretary-General (A/C.5/986) informing the General Assembly of the actual expenses incurred by the seven-Power mission which visited South Viet-Nam in October and November 1963. The expenses in question amounted to \$30,500, and the Secretary-General proposed that these should be covered by the transfer of \$31,000 from section 2, Special meetings and conferences, to section 18, Special missions. He added that the revised costs (under chapter II of section 2) for the printing of the proceedings of the International Conference of Plenipotentiaries on Consular Relations were expected to be some \$31,000 lower than the figure provided for in his previous report on the supplementary estimates for 1963 (A/5525, pages 8-10).
15. In a related report (A/5616) the Advisory Committee recommended that the sum to be transferred from section 2 to section 18 of the 1963 budget should be limited to \$30,500. The Committee pointed out that at the 1239th plenary meeting of the General Assembly on 11 October 1963, at which the President informed the Assembly of the composition of the mission and of the Secretary-General's cost estimate, recourse had not been had to the procedure prescribed in the second sentence of rule 154 of the rules of procedure of the General Assembly.
16. One delegation expressed the opinion that the mission of inquiry should not have been organized through the United Nations. Had the existing machinery, in the form of the International Control Commission, been used, no expenses would have fallen on the United Nations.
17. The Fifth Committee concurred in the recommendation of the Advisory Committee for the transfer of \$30,500 from section 2, Special meetings and conferences, to section 18, Special missions, to cover the actual expenses of the mission to South Viet-Nam.

RECOMMENDATION OF THE FIFTH COMMITTEE

18. At its 1052nd meeting on 6 December 1963, the Committee voted on the draft resolution on the supplementary estimates for the financial year 1963. Separate votes were requested on sections 2 and 18. The result of the voting was as follows:

	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
Section 2	54	0	10
Section 18	50	11	0
Draft resolution as a whole . . .	57	11	0

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

Supplementary estimates for the financial year 1963

The General Assembly

1. Resolves that for the financial year 1963 the amount of \$93,911,050 appropriated by its resolution 1861 A (XVII) of 20 December 1962 shall be decreased by \$US1,034,500 as follows:

	Amount appropriated by resolution 1861 A (XVII)	Supplementary appropriation	Total revised appropriation
<u>Section</u>	<u>(US dollars)</u>		
<u>Part I. Sessions of the General Assembly, the councils, commissions and committees: special meetings and conferences</u>			
1. Travel and other expenses of representatives, members of commissions, committees and other subsidiary bodies . .	1,185,300	-	1,185,300
2. Special meetings and conferences	<u>3,645,200</u>	<u>(702,800)</u>	<u>2,942,400</u>
TOTAL, PART I	<u>4,830,500</u>	<u>(702,800)</u>	<u>4,127,700</u>
<u>Part II. Staff costs and related expenses</u>			
3. Salaries and wages	44,487,800	(860,800)	43,627,000
4. Common staff costs	10,195,500	(36,500)	10,159,000
5. Travel of staff	2,024,200	-	2,024,200
6. Payments under annex I, paragraphs 2 and 3, of the Staff Regulations; hospitality	<u>100,000</u>	<u>-</u>	<u>100,000</u>
TOTAL, PART II	<u>56,807,500</u>	<u>(897,300)</u>	<u>55,910,200</u>

	Amount appropriated by resolution 1861 A (XVII)	Supplementary appropriations	Total revised appropriation
Section	(US dollars)		
<u>Part III. Buildings, equipment and common services</u>			
7. Buildings and improvements to premises	4,272,000	-	4,272,000
8. Permanent equipment	500,000	20,000	520,000
9. Maintenance, operation and rental of premises	3,568,200	141,100	3,709,300
10. General expenses	3,983,800	166,200	4,150,000
11. Printing	<u>1,483,750</u>	<u>(26,900)</u>	<u>1,456,850</u>
TOTAL, PART III	<u>13,807,750</u>	<u>300,400</u>	<u>14,108,150</u>
<u>Part IV. Special expenses</u>			
12. Special expenses.	<u>4,845,000</u>	<u>(46,900)</u>	<u>4,798,100</u>
TOTAL, PART IV	<u>4,845,000</u>	<u>(46,900)</u>	<u>4,798,100</u>
<u>Part V. Technical programmes</u>			
13. Economic development	2,135,000	(40,000)	2,095,000
14. Social activities	2,105,000	-	2,105,000
15. Human rights activities	140,000	40,000	180,000
16. Public administration	1,945,000	-	1,945,000
17. Narcotic drugs control	<u>75,000</u>	<u>-</u>	<u>75,000</u>
TOTAL, PART V	<u>6,400,000</u>	<u>-</u>	<u>6,400,000</u>
<u>Part VI. Special missions</u>			
18. Special missions	2,453,000	178,400	2,631,400
19. United Nations Field Service	<u>1,403,000</u>	<u>-</u>	<u>1,403,000</u>
TOTAL, PART VI	<u>3,856,000</u>	<u>178,400</u>	<u>4,034,400</u>

		Amount appropriated by resolution 1861 A (XVII)	Supplementary appropriation	Total revised appropriation
		(US dollars)		
<u>Section</u>				
<u>Part VII. Office of the United Nations High Commissioner for Refugees</u>				
20.	Office of the United Nations High Commissioner for Refugees	<u>2,450,000</u>	<u>133,700</u>	<u>2,583,700</u>
	TOTAL, PART VII	<u>2,450,000</u>	<u>133,700</u>	<u>2,583,700</u>
<u>Part VIII. International Court of Justice</u>				
21	International Court of Justice	<u>914,300</u>	<u>-</u>	<u>914,300</u>
	TOTAL, PART VIII	<u>914,300</u>	<u>-</u>	<u>914,300</u>
GRAND TOTAL		<u>93,911,050</u>	<u>(1,034,500)</u>	<u>92,876,550</u>

2. Resolves that the unexpended balance of the 1963 appropriation in respect of the United Nations building in Santiago, Chile (section 7, chapter III) shall be transferred on 31 December 1963 to the Building Fund established under General Assembly resolution 1692 (XVI) of 18 December 1961;

3. Further resolves that the estimates of income for the financial year 1963, approved by its resolution 1861 B (XVII) of 20 December 1962, shall be revised as follows:

	Estimate approved by resolution 1861 B (XVII)	Increase or (decrease)	Revised estimate
		(US dollars)	
<u>Income</u> <u>Section</u>			
<u>Part I. Income from staff assessment</u>			
1. Staff assessment income	<u>9,101,000</u>	<u>(170,000)</u>	<u>8,931,000</u>
TOTAL, PART I	<u>9,101,000</u>	<u>(170,000)</u>	<u>8,931,000</u>
<u>Part II. Other income</u>			
2. Funds provided from extra-budgetary accounts	1,784,700	-	1,784,700
3. General income	1,789,300	91,000	1,880,300
4. Sale of United Nations postage stamps	1,300,000	60,000	1,360,000
5. Sale of publications	541,000	(30,000)	511,000
6. Services to visitors and catering services	<u>731,500</u>	<u>(8,000)</u>	<u>723,500</u>
TOTAL, PART II	<u>6,146,500</u>	<u>113,000</u>	<u>6,259,500</u>
GRAND TOTAL	<u>15,247,500</u>	<u>(57,000)</u>	<u>15,190,500</u>
