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BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1968

Report of the Fifth Committee

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1. Under agenda item 74 the Fifth Committee considered the budget estimates of the United Nations for the financial year 1968. The Committee recommends a gross appropriation for 1968 of \$140,430,950 and an estimate for income (other than income derived from staff assessment) of \$9,014,300. The net expenditure for 1968 is thus estimated at \$131,416,650.
2. As regards the Working Capital Fund, the Committee recommends that the Fund should be maintained for 1968 at the level of \$40 million.
3. The Committee also recommends an estimate of \$14,620,700 as staff assessment income for transfer in the course of 1968 to the Tax Equalization Fund from which credits are distributed to Member States in accordance with General Assembly resolution 973 (X) of 15 December 1955.
4. For its examination of the budget proposed for 1968, the Committee had before it, as basic documents, the 1968 budget estimates submitted by the Secretary-General (A/6705) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/6707). Revised estimates for various appropriation sections were considered on the basis of subsequent reports of the Secretary-General and the Advisory Committee.

GENERAL DEBATE

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

(a) Implementation of recommendations in general

5. The general debate on the budget estimates for 1968 reflected the continued preoccupation of Member States with the broad objectives which gave rise to the establishment at the twentieth session of the General Assembly of the Ad Hoc Committee to Examine the Finances of the United Nations and the Specialized Agencies. Also fully evident was the common desire that the recommendations of that Committee in its second report (A/6343), as endorsed by the General Assembly at its twenty-first session, should be fully implemented by the various organizations in the United Nations family.

6. The recent growth of international activity in all spheres was generally welcomed as a heartening sign of vitality which held great promise for the eventual establishment of political, economic and social equilibrium in the world. The very rapidity of that growth had created new problems of an administrative and budgetary nature. The solution of these problems called for a general reappraisal of the most effective use of available resources within the context of virtually unlimited needs. The endeavour was to improve the procedures for the implementation of the work programme, not to impose an arbitrary limit on its expansion.

7. Many delegations felt that notable progress had been made by the various administrations in the implementation of the recommendations of the Ad Hoc Committee, although a more detailed account of such progress should be provided in the future. It was perhaps unrealistic to expect drastic changes in a short space of time. There would always be the problem of reconciling the over-all work programme as decided in the principal bodies of the United Nations with the resources which Member States were prepared to make available for its execution. It would be unfair to hold the Secretary-General responsible for any conflict of interests. Member States themselves were often to blame. It would also be wrong to think that once the process of reassessment had been set in motion the main task had been completed. On the contrary, the question should be asked whether the machinery which had been created for co-ordination, supervision and assessment might not itself involve areas of duplication or overlapping. Member States should

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keep this question under review and judge the performance of this machinery from the point of view of concrete results achieved.

8. The impression had often been gained that the Fifth Committee's work consisted of no more than the rubber-stamping of decisions taken in other places. These doubts had been dispelled. The achievement of the Ad Hoc Committee represented a watershed in the administrative and budgetary affairs of the Organization. It was clear that new horizons were opening up, giving an ever wider sense and deeper meaning to the task of the Fifth Committee. A wealth of constructive proposals had been contained in the Ad Hoc Committee's report. If some of its recommendations were familiar, others were highly original. All warranted most careful consideration. Largely as a result of its conclusions, a variety of interrelated issues were before the Fifth Committee - the reconciliation of the work programme with available resources, changes in the form of the budget, the question of the budget cycle, the issue of unforeseen and extraordinary expenses leading to the submission of supplementary estimates, the authority of subsidiary organs to take decisions involving expenditures in addition to those provided for in the regular budget, and the perennial question of the proliferation of conferences and meetings and the related volume of documentation. The whole subject of co-ordination, long-term planning and the establishment of priorities had received a new stimulus by the recommendations of the Ad Hoc Committee and related proposals by the Secretariat. In particular, the far-sighted recommendations of the Ad Hoc Committee in paragraph 73 of its second report (A/6343) deserved close attention with a view to their early implementation. All these problems needed to be solved together, although the process might be a long one. The Fifth Committee had a unique responsibility in this respect and should proceed with deliberation though with reasonable caution.

(b) Reconciliation of work programmes and budgetary resources

9. In paragraphs 22 to 25 of his foreword to his budget estimates for 1968, the Secretary-General had drawn attention to a question, the solution of which he considered to be of paramount importance if the full value of the proposals put forward by the Ad Hoc Committee were to be achieved. He had in mind the fundamental problem of reconciling the total work programme, as determined by resolutions of

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the main legislative organs of the United Nations, and the total resources which Member States were prepared to make available for its implementation. There continued to be a serious discrepancy between these two factors. As the sum total of the tasks imposed upon the Secretariat increased, criticism of the related rise in the level of the budget became more insistent. On the legislative plane, these conflicting approaches complicated rather than clarified the relationship between programme and budget. Under circumstances of budgetary stringency, the Secretary-General was compelled to assume the responsibility of reducing, sometimes on an arbitrary basis, the legitimate requests of departments and offices, with possible detriment to the proper implementation of the programmes for which they were responsible. He attached great importance to the researches being undertaken on the general aspects of programme in relation to resources, particularly in the economic and social field. It would, in his judgement, greatly facilitate the whole question of reconciliation between programmes and resources if, as a result of these endeavours, the General Assembly could, at an early date, give some clearer guidance as to the rate of growth that it would be prepared to support in regard to these activities, either annually or over a longer period of time. Not only would such guidelines enable him to make a firmer assessment of annual budgetary requirements, with greater assurance that they would be generally acceptable, but legislative bodies would have the benefit of a financial framework within which to plan their work programmes and establish the necessary priorities.

10. The issue raised by the Secretary-General was the subject of considerable comment in the course of the debate. Many speakers recognized the dilemma in which the Secretary-General found himself and did not question the propriety of the manner in which he had brought the matter to the attention of Member States. It was the widespread view, however, that the solution should be sought through the adoption of long-term programme planning along the lines recommended by the Ad Hoc Committee in paragraph 73 of its second report (A/6343) rather than by the prior imposition of an arbitrary rate of growth. It was pointed out that the Ad Hoc Committee had considered this aspect of the matter in detail, but had not made any recommendation which implied the establishment of a budgetary ceiling or a fixed rate of growth. Indeed, any such action would have the effect of inhibiting the economic and social activities of the Organization in a manner which would be incompatible with the objectives laid down in the Charter. It was

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only natural that these activities should be progressively expanded with a consequent rise in the level of the budget. This was an indication of the dynamism of the Organization. At the same time it was essential that such growth should be disciplined and that due regard should be had for the resultant burden on Member States, especially the developing countries. It was necessary, therefore, to ensure that the most effective use was made of existing resources and that future activities should be carefully planned in accordance with a system of priorities.

11. Certain other delegations considered that the Secretary-General had raised an urgent and critical question which justified positive action at the current session. These delegations were in no way motivated by a desire to impose a budget ceiling or a fixed rate of growth and invoked as evidence of their good will their past record of support for the essential activities of the Organization by means of substantial contributions, both assessed and voluntary. They saw considerable merit, at the same time, in providing the Secretary-General with the guidance he had requested and in advising Member States as far in advance as possible of the financial demands likely to be made upon them. It was recalled in this regard that the Ad Hoc Committee, in paragraph 26 of its second report (A/6343) had made a specific recommendation to the effect that heads of organizations should transmit preliminary and approximate estimates to the bodies responsible for examining the budget early enough to enable them to consider the main items of the budget well in advance of formal presentation and to make comments and suggestions thereon in good time. This could be done about one year before the legislative bodies were required to give their final approval to the budget. It could not be said that this recommendation embodied the notion of a ceiling or an arbitrary growth rate.

12. In a statement made at the conclusion of the general debate, the representative of the Secretary-General drew attention to the various initiatives recently taken by the Secretary-General designed to bring the work programmes of the Organization into closer relationship with budgetary requirements as well as the emphasis he had placed on the virtues of longer-term planning. These two aspects had been uppermost in his mind when he had appealed for guidance as to the rate of growth Member States would be willing to accept.

13. The Secretary-General believed that some such guidance, in the light of which he could frame future budget estimates, would materially assist the whole process of programme and budget building, since it would facilitate the establishment of

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a work programme based on priorities and provide greater assurance that the funds required for its implementation would be forthcoming. The Secretary-General had definitely not had in mind any such notion as a budget ceiling or some arbitrary limitation of growth rates. Notions of that kind were utterly foreign to the Secretary-General's understanding of the problems involved. However, the provision of suitable guidance - it might for convenience be called a target planning figure - should in the Secretary-General's opinion be based on a careful review of the work programmes and activities of the Organization for the budget period to be covered. That would by itself require work programmes to be drawn up on a longer-term basis since they would represent a forecast covering a period of some two years ahead.

14. Ideally, the Secretary-General would hope that, if he was required to provide the Assembly annually with some target figure, he would be afforded the opportunity of establishing such a figure on the basis of a prior review of the work programmes, particularly in the economic and social area, by the appropriate legislative bodies. In that way, he could be assured that the budget figure would be reasonably in accord with the programmes to be undertaken, not only as set forth initially by the Secretariat but as accepted and approved by the various reviewing bodies. He would thus be equally assured that the programmes represented the priority wishes of Member States.

(c) Creation of Committee for Programme and Co-ordination

15. Many delegations welcomed the reconstitution by the Economic and Social Council of its former Special Committee on Co-ordination into the present Committee for Programme and Co-ordination. It was generally felt that the new body had the potential to play a vital role in the implementation of the Ad Hoc Committee's recommendations on programme formulation, evaluation and co-ordination. Through its efforts it should be possible, by a reappraisal of existing programmes, the establishment of priorities, and the proper planning of new activities, to increase the effectiveness of total United Nations activity in the economic, social and human rights fields, to ensure the most economical use of existing resources and to achieve a more disciplined rate of growth. The hope was expressed that the Committee for Programme and Co-ordination would be able to give special attention

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to the development of long-term programme planning along the lines envisaged by the Ad Hoc Committee. Also of great importance was the task which had been entrusted to the Enlarged Committee for Programme and Co-ordination.

16. Certain delegations considered that the Fifth Committee, in its consideration of the budget estimates for the forthcoming year, should give independent consideration to the annual report of the Committee for Programme and Co-ordination on the work programme in the economic, social and human rights fields.

(d) Relationship between the Committee for Programme and Co-ordination and the Advisory Committee on Administrative and Budgetary Questions

17. A number of delegations stressed the importance of a close co-operation between the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Co-ordination. At the same time, it should be possible to avoid unnecessary duplication of the work of the two bodies, considering the different though complementary nature of their respective responsibilities. Both Committees had an important role to play in furnishing the information on the basis of which the Fifth Committee could reach its conclusions on the level of the budget. The Chairman of the Advisory Committee had correctly indicated that the work programme played an overriding role in all budgetary considerations even though there might be differences of opinion as to the allocation of available resources. In drawing up programmes, it was important that every effort should be made to achieve a reconciliation between programmes and resources. In this respect, the budget approved for the previous year afforded sufficient guidance as to the magnitude of the financial support which Member States could be expected to make available. For the Committee for Programme and Co-ordination's annual review of work programmes and their related budgetary implications it was, therefore, no real drawback that the budget estimates for the ensuing year could in practice not be made available. It was encouraging, on the other hand, to note that the two bodies intended to schedule their meetings in 1968 in a manner which would enable the Advisory Committee, when it examined the budget estimates for the following year, to have before it the views of the Committee for Programme and Co-ordination on programmes and priorities. Any further efforts to harmonize the work of the two bodies would be desirable. Such measures might include the eventual production of one set of information on programmes and budget which could

serve the needs of both bodies as well as suitable participation by the Advisory Committee in the deliberations of the Committee for Programme and Co-ordination.

(e) Standardization of budget documents

18. A number of delegations reaffirmed their interest in the recommendation of the Ad Hoc Committee that a study should be undertaken under the auspices of the Advisory Committee to determine the extent to which standardization of budget presentations by the United Nations and the specialized agencies was feasible. Such standardization should lead to an improvement of financial procedures and greatly facilitate budget review and control. In paragraph 9 of his report on the implementation of the recommendations of the Ad Hoc Committee (A/6803), the Secretary-General had indicated that representatives of the various organizations would shortly hold a joint meeting to consider steps towards greater standardization of nomenclature in budget documents and in financial rules and regulations. This initiative was to be commended.

(f) Report on budget performance

19. A number of delegations welcomed the report which had been submitted by the Secretary-General in document A/6666 on budget performance in 1966, in accordance with the recommendation of the Ad Hoc Committee. Systematic reporting of this nature, with emphasis on a frank and fairly detailed evaluation of the previous years record, was not only useful to Member States, but would hopefully be carefully taken into account by the Secretariat when future estimates were being prepared. In paragraph 9 of his Foreword to the budget estimates for 1968, the Secretary-General had indicated his intention to supplement future reports by an evaluation of accomplishments in the course of each financial period in respect of work programmes, especially in the economic and social fields. In paragraph 49 of its related report (A/6707) the Advisory Committee had recommended that a more detailed breakdown of expenditures under the various chapters and sub-chapters of budget sections would be useful. These new features would no doubt considerably enhance the value of future reports.

(g) Joint Inspection Unit

20. Many delegations indicated their satisfaction with the progress made towards the establishment of a Joint Inspection Unit in agreement with the various

organizations of the United Nations family, and hoped that it could begin its work by the target date of 1 January 1968. With its broad investigating powers in all matters concerning administrative efficiency and the proper utilization of financial resources throughout the United Nations system, the Unit should be able to make a most useful contribution to over-all supervision and control. Provided it were free of outside influences it would be able to reveal in due course any deficiencies which might exist in respect of co-ordination between the United Nations and the specialized agencies. In planning and implementing its programme, it could profitably consult the other independent examining bodies, namely, the Advisory Committee on Administrative and Budgetary Questions and the Board of Auditors. It was noted from the report submitted by the Secretary-General in document A/C.5/L.902 that the Panel of External Auditors and the Inspection Unit would confer to work out suitable arrangements to cover their respective areas of responsibility. The results of these consultations should be carefully observed to prevent overlapping and duplication of work.

21. Certain delegations reserved their judgement on the potential usefulness of the Inspection Unit. Only experience could dispel their doubts and misgivings. For example, in its present form the Unit still seemed to have something of an inquisitorial character which surely had not been the intention of the Ad Hoc Committee. It was also pointed out that the costs of the Unit should not be allowed to spiral once it was in operation. Its expenditures should be subject to full scrutiny and its activities undertaken only with full justification.

(h) Review by the Advisory Committee on Administrative and Budgetary Questions of the administrative and budgetary procedures of the specialized agencies

22. A number of delegations stated that they looked forward with interest to the report to be submitted by the Advisory Committee on its review in 1967 of the administrative and budgetary procedures of UNESCO (subsequently issued as document A/6905) and noted with satisfaction that the systematic review of further organizations would continue in the future, as recommended by the Ad Hoc Committee.

(i) Form of the United Nations budget

23. The changes which had been made by the Secretary-General in the budget estimates for 1968 to give effect to the Ad Hoc Committee's recommendations on

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budget presentation were the subject of much favourable comment. The distribution by main organizational unit of the total expenditures provided for under section 3 imparted greater clarity and perspective and would facilitate the review and control of requirements under that important section. A much clearer impression had been given under the relevant income sections of the net income derived from the various revenue-producing activities. Finally, the valuable information provided in the annexes to the budget, notably annex I which distributed the budget estimates by main field of activity, assisted Member States in their comprehension of the budget as a whole. The budget in its current form was a more complete and accurate instrument than before and an important step had been taken towards the ultimate objective of an integrated presentation of programmes and related budget estimates.

24. A number of delegations favoured the extension of the distribution under section 3 to include other items of expenditure for purposes of information, as had been suggested by the Secretary-General in his foreword to the budget estimates and in his separate report on the form of the budget (A/C.5/1121 and Corr.1). At the same time, these delegations agreed with the Secretary-General that the present sectional breakdown of the budget should not be modified since it ensured the effectiveness of central control and the flexible use of resources. It was recalled in this regard that the Ad Hoc Committee had come to the conclusion that programme budgeting did not in any way require that traditional budgeting should be cast aside. The two methods were not in conflict and they could and should operate in a complementary manner.

25. Other delegations considered that it would be desirable to exercise caution before any further changes were made in budget presentation in order that the advantages of the present form should not be endangered. Moreover, frequent rearrangement of the estimates inevitably had an adverse effect on the comparability between the years. It would be preferable to defer any further innovations until initiatives in respect to programme formulation and the establishment of priorities had been given a fair trial. Changes in the form and structure of the budget could not in themselves be considered a substitute for sound and effective management. The Fifth Committee should exercise care in thinking that any attempts to apply complicated and sophisticated notions to the process of administrative

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and financial control would automatically lead to radical improvements. There was no real substitute for self-discipline and efficiency on the part of Member States as well as the Secretariat.

26. Certain delegations, while noting the improvement in presentation, considered that the budget was still not an instrument on which policy decisions could be accurately based. The budget should contain an enumeration of existing as well as proposed new activities, presented in an order of priorities within the context of a practical long-term programme. Ideally, one document should serve the Committee for Programme and Co-ordination, and the ACABQ. In this manner the difficulties experienced with supplementary estimates would for the greater part be resolved. Such a system could, of course, only be successful if Member States co-operated and if they achieved proper co-ordination within their national administration. Moreover, no progress would be made until, in addition, greater co-ordination within a comprehensive budget framework were instituted among United Nations organs.

(j) Question of the introduction of a biennial budget cycle for the United Nations

27. The reports submitted by the Secretary-General (A/C.5/1122 and Corr.1) and by the Advisory Committee (A/6887/Rev.1) following a study of the advantages and disadvantages of the possible introduction of a biennial budget cycle for the United Nations were considered under agenda item 80 in conjunction with the Secretary-General's report on the implementation of the recommendations of the Ad Hoc Committee on other matters. A number of delegations also expressed their views on the subject in the course of their general statement on the budget estimates for 1968.

28. Among the arguments adduced in favour of a biennial budget was that such a system might provide a way to improve the relationship of the Advisory Committee and the Committee for Programme and Co-ordination. It had been generally acknowledged that the time-table of the meetings of these two bodies should be arranged so that in future years the Advisory Committee could be represented at all meetings of the Committee for Programme and Co-ordination on the work programme in order that the latter body's views could be taken into account in the examination by the Advisory Committee of the Secretary-General's budget proposals

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for the forthcoming year. Under present circumstances, it was not possible to provide the Committee for Programme and Co-ordination at its spring session with estimates for the next financial year. Biennial budgeting might make this possible. Alternatively, the problem could be resolved by the introduction of programme budgeting based on an agreed long-term plan.

29. Certain other delegations expressed reservations as to the potential benefits of a biennial cycle. It was pointed out in this regard that the possible advantages of such a system could only be fully realized if the relevant organs of the United Nations were able to exercise discipline and if medium- and long-term programmes could be established - especially in the economic and social field. Biennial budgeting would also require the reorientation of planning procedures both at the administrative and legislative levels. Thus, until meetings of the Economic and Social Council, the Committee for Programme and Co-ordination and the Advisory Committee on Administrative and Budgetary Questions were properly organized, an effective examination of programme and budget on a long-term basis would be very difficult to achieve. Adequate provision would in any event always have to be made for unpredictable activities of a political nature which were basic functions of the Organization under the Charter.

30. A number of delegations considered that the potential advantages of a biennial cycle were outweighed by the disadvantages they foresaw. At the present stage such an innovation would create more problems than it would solve and was unlikely to achieve the desired results. Purely technical devices could not by themselves provide fully satisfactory solutions to the many complex problems besetting the Organization. Long-term planning did not require the introduction of a longer budget period. For the present, it would be more useful to concentrate on means to improve the work schedule of the Economic and Social Council and to strengthen co-operation between the Committee for Programme and Co-ordination and the Advisory Committee on Administrative and Budgetary Questions.

31. Another delegation indicated that while the specialized agencies could profitably adopt a biennial cycle, the same was not true of the United Nations because of its peculiar nature and the complexity of its budget. Long-term planning was no doubt important in the economic and social spheres, but the United Nations also bore primary responsibility for the maintenance of peace and security. In this regard, it was to be feared that a longer budget cycle would adversely affect the flexibility of the Organization.

Financial situation of the Organization

32. Many delegations expressed concern at the steadily deteriorating financial position of the United Nations and considered that the time was long overdue for a serious and determined effort on the part of all Member States to take steps to restore the Organization's solvency. Neither the consensus reached at the nineteenth session of the General Assembly to the effect that the financial problem should be solved by voluntary contributions, nor the clear analysis of the financial position by the Ad Hoc Committee to Examine the Finances of the United Nations and the Specialized Agencies in its first report had led to any substantial improvements. Despite a number of appeals by the Secretary-General which had been endorsed by the General Assembly on a number of occasions, voluntary contributions pledged had reached a level of only some \$22.3 million, of which \$21.2 had been paid. In his statement to the Fifth Committee at its 1181st meeting, the Secretary-General had indicated that at the present time, and taking into account the lower range of estimated requirements indicated by the Ad Hoc Committee, a total of some \$36.5 to \$38.5 million of new voluntary contributions might be considered to be the minimum needed to place the Organization on a sound financial basis. The administrative and financial reforms currently being instituted would only assume real meaning when the accumulated deficits had been eliminated. Until such time, the United Nations would be seriously handicapped in its contribution to international co-operation.

33. It was pointed out by one delegation that the reason why the majority of Member States had so far failed to fulfil their obligations was well known, though rarely mentioned. They seemed to be waiting for a lead from certain of the major contributors and these in turn - with the exception of the United Kingdom which had made a generous contribution - waited upon each other. This delegation hoped that the vicious circle would soon be broken lest the effectiveness of the Organization be seriously undermined.

34. A number of delegations addressed a special appeal to the more developed countries to make voluntary contributions. It was pointed out in this regard that the growing financial difficulties of the Organization should in no way be attributed to the growth of activities in the economic and social field. The financial crisis was never a purely budgetary one.

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Recommendations of the Advisory Committee on
Administrative and Budgetary Questions on the
budget estimates for 1968

35. Most delegations announced their intention to support the recommendations of the Advisory Committee on the budget estimates for the forthcoming year. Some of the reductions proposed were substantial, but could not be considered either critical or excessive. In particular, the large number of vacant posts made it difficult to accept fully the justification for new posts. Wise management of resources should enable the Secretary-General to remain within the proposed appropriations without any detriment to the work programme. The Advisory Committee was not infallible and could not assess with meticulous accuracy the requirements for the implementation of each and every decision taken. It did have the advantage of an insight, derived from a continuity of experience and expertise, which was of particular value in current circumstances where the United Nations was faced with the rapid expansion or reorganization of some of its functions. It was gratifying to note that the Secretary-General, in his statement to the Fifth Committee at its 1181st session had not formally contested the reductions proposed by the Advisory Committee, in spite of certain reservations in respect of the proposed level under sections 2, 3, 4, 19 and 20. It was to be hoped that these reservations would not necessarily take the form of supplementary estimates next year.

36. A number of delegations, while supporting the recommendations of the Advisory Committee, considered they did not go far enough. These views were not based on a desire for austerity or retrenchment, but for maximum economy and efficiency compatible with the effective implementation of the work programme. Considerable doubt was expressed as to the full and effective utilization of existing staff resources. As in the past, the greater proportion of the additional requirements for 1968 related to the further expansion of the Secretariat. The time had come for a thorough reappraisal of the manner in which the existing staff were deployed. In this regard the initiative to be taken by the Secretary-General to appoint a special group of experts to study the structure and organization of the Secretariat was particularly welcome.

37. Certain other delegations were unable to support certain of the reductions proposed by the Advisory Committee. Among the estimates submitted by the Secretary-General which could be considered quite legitimate were those relating

to certain sectors of the Department of Economic and Social Affairs, the United Nations Library, UNCTAD and UNIDO. In these respects, the relationship between programme and budget should be in full accord and nothing done to risk impairment of the important work to be done in these fields. The flexible use of vacant posts to meet additional requirements, as proposed by the Advisory Committee, might not be adequate. It was unfair to imply that the Secretariat had requested a strengthening of staff resources in certain areas without sufficient justification and merely to further special interests. Also it did not seem reasonable to penalize any unit which had a vacancy, and which no doubt had been obliged to postpone some work as a result, to use the resources for that post to finance a new post elsewhere during the following year. There was in the view of these delegations room for compromise between the respective positions taken by the Secretary-General and the Advisory Committee on the subject of new post requirements. It was to be hoped that during the current session the budget could be examined with full regard to its relationship with the work programme which it was intended to support, not to frustrate.

Reorganization of the Secretariat

38. In document A/C.5/1128, the Secretary-General had advised the Fifth Committee of his intention to reorganize the top echelon in the United Nations Secretariat by the reintroduction of the concept of two levels, both reflecting the proper geographical distribution. In reclassifying certain existing posts of Under-Secretary to the higher level, he had been guided mainly by the responsibilities involved. As soon as these proposals had been implemented, he intended to appoint a small team of experts to consider and make appropriate recommendations to him on the problem of the reorganization of the Secretariat at other levels.

39. A number of delegations welcomed the initiative taken by the Secretary-General. It was stressed in this regard that under the authority granted to him by the Charter, the Secretary-General had full discretion to organize the Secretariat according to his best judgement in the interests of greater efficiency.

40. On the subject of the reorganization of the top echelon, one delegation considered that several important questions would have to be clarified before the

impact of the proposed scheme on the structure and performance of the Secretariat could be fully appreciated. With regard to the regional distribution of the proposed top level posts, this delegation hoped that a pattern would not be set which would confer on certain countries by prescription or long incumbency a right to representation of their respective regions. It was not quite clear whether the two factors of relative responsibility and proper geographical distribution had been given equal weight in all cases or whether the latter consideration had prevailed, resulting in an unduly rigid limitation on the number of top level posts. It was also to be hoped that the establishment of two levels would not lead to an undue concentration of the delegated powers and authority of the Secretary-General in a few hands and, consequently, to a preference on the part of Member States to deal with officials at the higher level. Finally, this delegation trusted that the proposed scheme would not reduce the latitude of the Secretary-General to accede to the wishes of Member States to be represented at the higher level.

41. As regards the proposed survey of the Secretariat at other levels, the view was expressed that after twenty years of somewhat haphazard growth, it was appropriate that a thorough reappraisal be made of the place and relative importance of each sector of work within the context of the totality of United Nations activity.

Equitable geographical distribution of the staff

42. In the course of their general comments on the budget estimates for 1968, in particular those relating to staff resources, a number of delegations expressed the view that in spite of a certain measure of progress towards a more equitable geographical distribution of the staff, much needed to be done to achieve the ultimate goal of a truly international Secretariat composed of persons recruited on the widest possible geographical basis at all levels and with the proper linguistic balance. These delegations called for urgent measures to remedy the situation. Greater consideration should also be given to developing countries in the recruitment of personnel in the higher grades.

43. Another delegation, while acknowledging the obvious importance of equitable and balanced representation, believed that any drastic change in the composition of the staff might create disorder and thus impair the efficiency, competence and integrity which were so essential for an effective United Nations Secretariat.

Inclusion in the regular budget of provisions for
controversial purposes

44. As in the past, a number of delegations objected in principle to the inclusion under sections 12 and 16 of the budget estimates of provisions for certain activities which in their view had been taken in contravention of the Charter and to which, consequently, they were unable to contribute. The items in question were the United Nations Bond Issue, the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK) and the United Nations Memorial Cemetery in Korea.

United Nations Bond Issue

45. Reference was made by one of its original co-sponsors to the draft resolution which had been presented by the delegations of Argentina, Brazil, India and Nigeria at the twenty-first session of the General Assembly to the effect that instalment payments and interest charges in respect of the sale of United Nations bonds in terms of General Assembly resolutions 1739 (XVI) and 1989 (XVIII) should not be financed on the same basis as the other provisions of the regular budget. Those who had opposed this draft resolution - a fact which led to the deferment of the issue to allow time for further study and more mature consideration - had alleged that a change in the method of financing these commitments would be prejudicial to the interests of the subscribers to the bond issue and would affect adversely the financial status of the United Nations. The delegation in question still failed to see how the credit rating of the Organization would suffer since there was no suggestion that the subscribers would not be repaid in full. It would only be a question of a change in the method of sharing the liability among Member States. It was to be hoped that last year's opponents of the four-Power resolution would reconsider their position and that at the current session they would find it possible to accept an equitable solution which would do justice to those Member States which, due to their economic problems, had a limited capacity to pay for peace-keeping operations involving heavy expenditure. The case for the proposed arrangement rested on two premises: (a) the receipts from the bond issue were utilized entirely to finance peace-keeping operations and (b) the General Assembly in several resolutions had repeatedly recognized that expenditures

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arising from peace-keeping operations should be met by means of a procedure different to that which applied to the regular budget.

46. Another delegation stressed that the Fifth Committee should take no action which might cast doubt on the financial integrity of the Organization or which might call into question any of the terms on which the bonds had been issued. The United Nations could not afford to be careless of its credit rating. In raising the bond issue it had borrowed a large sum of money on very generous terms. It would have to pay much more if it ever became necessary to engage in a refinancing operation at current market rates.

Regular budget provision for technical assistance operations
(Part V)

47. A number of delegations repeated their view that it was both unnecessary and improper to provide under the regular budget for technical assistance operations. A fair share of the regular budget was already devoted to administrative arrangements for a variety of technical assistance programmes. Actual operational activities should be merged with those undertaken by the United Nations Development Programme and financed by means of voluntary contributions. The regular programme produced no appreciable results, increased administrative costs, and involved a squandering of resources on fragmentary and relatively unimportant projects. In the meantime their respective Governments would continue to provide technical assistance on a broad scale by means of their own experts, equipment and training facilities. Their assessed share of the appropriation made under part V of the regular budget would be made available in their national currency.

48. Certain other delegations expressed their disagreement in principle with this point of view. By virtue of their membership in the United Nations all States, both large and small, had undertaken to participate in the enterprise of mutual aid and solidarity envisaged in the Charter. Indeed, if greater meaning were to be given to Article 55 of the Charter, the benefits to be derived from part V of the budget should be greatly increased and expanded. Recent appeals for larger voluntary contributions to the United Nations Development Programme had not achieved satisfactory results. The programme currently charged to the regular budget should not be subjected to similar uncertainties. That programme made it

possible to meet the technical needs of developing countries in a number of special fields and was sufficiently flexible to enable the Secretary-General to respond rapidly to emergency requests for technical assistance.

Creation of autonomous organizational units
within the Secretariat

49. Certain delegations commented in general terms on the recent tendency towards the establishment of autonomous organizations within the Secretariat. In their view certain potential disadvantages were involved. The Organization had experienced a serious financial crisis which at least had had the advantage of driving it to self-examination. The Ad Hoc Committee to Examine the Finances of the United Nations and the Specialized Agencies had formulated certain recommendations to improve the efficiency of the Organization and the most economical and effective use of the resources at its disposal. It was not sufficient that the Secretariat should ensure that those recommendations were carried out. The Secretary-General's efforts would achieve only partial and even superficial results if they were not backed up by the efforts of Member States. The very efficiency of the United Nations was at stake, particularly in respect of co-operation in the economic, social and human rights fields. It was essential that the existing autonomous units should not duplicate the functions of some of the specialized agencies and that a proper division of labour and co-ordination of activities should be carefully worked out before any new operations of a similar nature were undertaken. In this regard, it was necessary that rule 80 of the rules of procedure of the Economic and Social Council should be strictly adhered to.

50. With specific reference to UNCTAD and UNIDO, it was suggested that in their recruitment policy these new organizations, while taking into account the requirements of professional competence and proper geographical distribution, should give greater consideration to persons with an intimate knowledge and true understanding of the needs and problems of the developing countries. Another delegation considered that any new personnel for these two organizations might be taken primarily from the Department of Economic and Social Affairs. That Department's staff was continuing to grow at the same fast rate as before in spite

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of the fact that UNCTAD and UNIDO had taken over a large part of its responsibilities. It was pointed out, finally, that UNIDO was intended to be an operational and promotional organization and that if its objectives were to be achieved attention should be concentrated on the development and technical co-operation aspects of its operations. The hope was expressed that UNCTAD and UNIDO would both succeed in the near future in obtaining the full complement of staff they required to make effective headway with their important work.

Public information activities

51. A number of delegations looked forward with interest to the report which the Secretary-General intended to submit to the General Assembly at its twenty-third session on the results of an internal study of the Office of Public Information and a reappraisal of United Nations policies in this field. Attention was drawn to a number of useful reports that had already been issued: the twenty-third report of the ACC to the Economic and Social Council at its forty-third session (E/4337), the report of the Secretary-General on the review of public information activities in the economic, social and human rights fields (E/4394) and the observations by the Committee for Programme and Co-ordination in paragraphs 31 to 41 of its report on the second part of its first session (E/4395).

52. It was stressed, in this regard, that there was a need for a public information programme that kept pace with the expanding activities of the United Nations and the technological programmes in the field of communications. In order to fulfil the role of the Organization in enlisting more solid public support throughout the world for the work and purposes of the Organization. Another delegation was encouraged by the Secretary-General's reaffirmation in the introduction to his annual report on the work of the Organization of the basic principles governing the policy to be followed by the Office of Public Information in the execution of its terms of reference. Especially welcomed was his observation that any crossing of the boundaries which traditionally divide information as such from activities with a promotional or propagandistic trend, would not only be constitutionally improper for the Office of Public Information, but would also be self-defeating in the long run. In a political Organization

such as the United Nations the position of the Secretariat must necessarily be one of complete impartiality. An injunction to this effect was indeed contained in the Charter and could not legitimately be disturbed by any resolutions of the United Nations.

53. The delegation of China expressed the hope that in the reappraisal of public information activities sight would not be lost of the Office of Public Information's basic function, which was the dissemination of information about the Organization's aims and activities to all areas of the world, without neglecting any particular area for political reasons. Because of its unsatisfactory performance in respect of the provision of information to the Chinese people, the Chinese delegation was unable to support the programmes and activities of the Office of Public Information.

54. It was pointed out by one delegation that the United Nations was an inter-governmental organization and that the main responsibility for information about its activities should lie with individual Governments. The United Nations should simply supplement that information and provide Governments with any necessary assistance. The Secretariat should economize by making wider use of governmental and non-governmental experts.

Conferences, meetings and documentation

55. Most of the delegations participating in the debate commented on the problems involved in the steady increase in the annual programme of meetings and conferences and the related volume of documentation. There was no doubt that conferences and meetings occupied an important place among United Nations activities and offered an occasion for all Member States to express their views. When the general desire and need for a meeting or conference had been established it was difficult to abandon the project on purely administrative grounds. However, there was clearly a need for a more restrained and rational procedure based on priorities and taking into account the best possible use of existing resources, both human and financial. As a result of the current proliferation of meetings and special conferences the law of diminishing returns tended to operate. Excessive demands on the staff made it difficult if not impossible to prepare for and service all meetings properly. Moreover, the capacity of Member States, especially the developing countries, to participate actively and to derive the necessary benefits was being severely strained.

56. Several positive steps had been taken to improve the present unsatisfactory situation. The Ad Hoc Committee, in paragraph 104 of its second report (A/9364) had made a series of practical recommendations. The General Assembly at its twenty-second session had established a Committee on Conferences which could make a valuable contribution and whose first report to the Assembly at its current session was awaited with considerable interest. Finally, in response to another decision taken at the previous session of the General Assembly, the Secretary-General, in document A/6675, had submitted a valuable report on means to control the volume of United Nations publications and documents. All these initiatives deserved the serious attention of Member States who were primarily responsible for the situation and in whose hands the solution lay. In fact, nothing could be achieved without the full and continuing co-operation of the relevant organs of the United Nations. The Secretary-General might indicate the optimum number of meetings and conferences which could be properly accommodated in any one year. It was up to Member States in the various bodies to assist the Committee on Conferences by bearing in mind the need to exercise restraint and to establish the relative importance of the meetings they proposed and to keep within reasonable bounds the volume of documentation they desired. One of the difficulties the Committee on Conferences would face in its endeavour to draw up a more orderly and acceptable calendar was the fact that in many cases new meetings will have been proposed and approved by various organs and subsidiary organs on a piece-meal basis at an earlier date. In the case of special conferences and the meetings of certain subsidiary organs, a substantial contribution could also be made, if it were considered carefully whether or not summary records of the proceedings were really necessary or whether a comprehensive final report would not suffice. It was also necessary to limit the costly tendency to request the reproduction of certain statements in full.

Administrative and budgetary review and control of United Nations programmes financed from voluntary sources

57. In its main report on the budget estimates for 1968,^{1/} the Advisory Committee on Administrative and Budgetary Questions had pointed out that most United Nations

1/ Official Records of the General Assembly, Twenty-second Session, Supplement No. 7 (A/6707), paras. 119-121.

programmes financed from sources other than the regular budget had their own administrative arrangements and, in some cases, their own sub-organs charged with budget control, as established by their respective legislative bodies. No provision was made, however, for administrative and budgetary control by the General Assembly, the main organ which created the voluntary programmes in question. As a consequence, it was not clear to what extent the Advisory Committee had the authority to review the respective administrative budgets and related matters and to report thereon to the General Assembly and the respective legislative bodies. In the opinion of the Advisory Committee, greater uniformity between the administrative and budgetary arrangements of the United Nations and its voluntary programmes was required and a greater measure of central review and control of the procedures relating to administrative budgets was desirable. The Committee undertook to prepare a background paper on the subject for consideration by the General Assembly at its twenty-third session.

58. A number of delegations welcomed this initiative and felt a detailed study of the matter would prove most instructive. There was a good case for a comprehensive annual review of all voluntary programmes. Moreover, the external auditors might be requested to broaden the scope of their audit to include the administration and management of voluntary programmes. Possibly, the Joint Inspection Unit could make a useful contribution in this regard.

Question of unforeseen and extraordinary expenses leading to the submission of supplementary estimates

59. In paragraphs 52 to 73 of its main report on the budget estimates for 1968, the Advisory Committee had dealt at length with the authority of subsidiary organs to take decisions involving expenditures for which no provision had been made in the budget and the closely related question of the authority of the Secretary-General to incur additional commitments under the terms of the annual resolution on unforeseen and extraordinary expenses. The Advisory Committee considered that there was a basic weakness in the financial system and that in effect the resolution referred to above had become a device for increasing the United Nations budget beyond its approved level. The Committee recommended (a) that main organs, when establishing or reviewing the terms of reference of

subsidiary bodies, should give the most careful consideration to the tasks and powers they delegate to these bodies and that they should define them clearly whenever they were likely to have financial implications, and (b) that the General Assembly may wish to consider modification of the text of the annual resolution on unforeseen and extraordinary expenses which would clearly define the concept, limiting such expenses to clearly exceptional cases involving emergencies, as had been recommended by the Ad Hoc Committee to Examine the Finances of the United Nations and the Specialized Agencies in paragraph 43 of its second report (A/6343).

60. In the course of the debate there was widespread support for the course of action recommended by the Advisory Committee. As regards the re-examination of the terms of the annual resolution on unforeseen and extraordinary expenses, the consensus was that that Committee might be requested to study a possible definition of the concept and report to the General Assembly either at its current or its next regular session. The basic principle to be reasserted was that only the General Assembly had the power to appropriate funds. A budget was designed to ensure that a reasoned analysis had been made of programmes for which funds are provided and that prior review and approval had been given by the organs which had the power to authorize expenditures. Both these objectives are defeated when obligations are incurred without adequate review, approval and authorization. Despite repeated appeals for restraint, subsidiary organs had continued to regard their own programmes as being of major importance and had called for their immediate implementation regardless of whether the necessary budgetary provision had been made. The representatives of the Secretary-General had a special responsibility to advise subsidiary bodies of the constitutionality or otherwise of any decision contemplated by them. A similar discipline was called for on the part of Member States.

61. At the same time a number of delegations pointed out that the Secretary-General should have the authority to incur additional expenditures in genuine emergencies. The difficulty was to find a solution which allowed him sufficient latitude. In an orderly budgetary process the necessity for supplementary estimates should not necessarily be excluded.

62. One delegation had strong reservations regarding hasty proposals during the current session. Before positive action was taken it was essential to know the reasons for the failure of the Advisory Committee's earlier admonitions and of General Assembly resolution 1449 (XIV) in which the General Assembly had requested all United Nations organs to consider ways and means whereby new projects might be deferred until suitable provision could be made for them by the Secretary-General in the main budget estimates for a subsequent financial year, unless they were of major and urgent importance or unless they could be accommodated within approved expenditure levels by the postponement of projects of relatively low priority.

Legal status of the United Nations
in the United States

63. Certain delegations again drew special attention to the fact that the United States had not acceded to the Convention on the Privileges and Immunities of the United Nations and that the status of the Organization in that country was based solely on the Headquarters Agreement. This Agreement not only differed from the provisions of the Convention, but was much less complete than similar agreements concluded by the United Nations and Switzerland in respect of the European Office and by the specialized agencies with the Governments of the countries where they had their headquarters. In the United States the Organization was subject to indirect and consumer taxes which continued to have an undue influence on its budget. The General Assembly should be informed of the amount of such taxes and early steps should be taken to achieve a solution to the problem.

CONSIDERATION OF SPECIAL QUESTIONS

Salary and pension arrangements of members
of the International Court of Justice

64. On 9 November 1967, at its 1197th meeting, the Committee considered the reports submitted by the Secretary-General (A/C.5/1113 and Corr.1 and 2) and the Advisory Committee on Administrative and Budgetary Questions (A/6861) on proposed increases in the salaries and allowances of Judges of the International Court of Justice as well as certain upward adjustments to retirement, disability and widows' pension payments.

65. The recommendations of the Advisory Committee, which involved certain modifications to the proposals made by the Secretary-General, were adopted by the Fifth Committee by a vote of 66 to none, with 2 abstentions. Two draft resolutions which would give formal effect to this decision are attached to this report as draft resolutions IV and V.

Payment of Honoraria to members of the International
Narcotics Control Board

66. On 13 November 1967, at its 1199th meeting, the Committee considered the reports of the Secretary-General (A/C.5/1123 and Corr.1) and the Advisory Committee on Administrative and Budgetary Questions (A/6878) on payment to the members of the International Narcotics Control Board of honoraria in addition to the travel and subsistence payments already authorized for members of United Nations bodies serving in their individual, expert capacity.

67. In the circumstances enumerated in paragraphs 9 to 12 of his report, the Secretary-General was of the opinion that such remuneration was warranted and recommended that as a minimum annual lump sum payments be made in the following amounts:

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President of the Board	2,500
Vice-President	1,500
Other members	1,000

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68. The Advisory Committee suggested that the General Assembly, in the light of its earlier decision to provide honoraria payments to the bodies which preceded the Board and taking into account the latter's increased responsibilities, might wish to approve the Secretary-General's proposal.

69. One representative expressed the view that the proposed honoraria were over-generous and drew attention to the long-standing United Nations principle that the election as an officer of a subsidiary organ was an honour conferred and not an appointment to a remunerative post.

70. The Fifth Committee decided, without objection, to recommend to the General Assembly the approval of the proposal made by the Secretary-General. This decision is embodied in draft resolution VI attached to this report.

71. In paragraph 15 of his report, the Secretary-General had suggested that the General Assembly might wish to consider whether there was a need for a re-examination of the policy and arrangements governing the pattern and levels of honoraria as currently authorized, which had remained unchanged since 1957. The Advisory Committee in its report expressed the view that, in the absence of any indication, based on a comprehensive review by the Secretary-General, that further consideration of the broader question of honoraria was warranted, it would be premature for the General Assembly to take an initiative in the matter. The representative of the Secretary-General advised the Fifth Committee that in the Secretary-General's view the general matter of honoraria could usefully be reviewed from time to time in the light of changing conditions and circumstances. If there was no objection on the part of the Fifth Committee, he would undertake such a review in the course of 1968. It was so decided.

Provision of Chinese language services at
special meetings and conferences

72. At the 1183rd meeting of the Committee, the representative of China, in the course of his general statement on the budget estimates for 1968, drew attention to the failure of the Secretariat to provide for the inclusion of Chinese as an official language in determining the services to be provided to certain major conferences. In particular, he requested that such services be provided in respect of the International Conference on the Revision of the

Convention on Road Traffic and the Protocol on Road Signs and Signals to be held in 1968. He considered that in general this matter should receive proper consideration whenever the rules of procedure for any conference sponsored by the United Nations were being drawn up. He also hoped that no effort would be spared to expedite the translation of United Nations documentation into Chinese. The undue delay in issuing documents in that language had greatly hampered his delegation's work.

73. In response to these observations, the representative of the Secretary-General, at the 1197th meeting, assured the Chinese delegation that provision had been included in the 1968 budget estimates for interpretation and translation services in the Chinese language for a number of the special conferences scheduled for that year. During the long period of planning for the Conference to which special reference had been made, the question of Chinese language services had not, to his knowledge, been raised. It would, therefore, be necessary to bring the matter to the attention of the Economic and Social Council at its resumed forty-third session.

74. Acting upon a formal request by the delegation of China to this effect, the matter was submitted to the Economic and Social Council together with a statement of financial implications (E/4439/Add.1).

75. In chapter V of its report (A/6703/Add.1 (Part III)) to the General Assembly, the Council took note of the request of the Permanent Representative of China, and decided to transmit it to the General Assembly for its consideration. The Secretary-General provided a statement of financial implications (A/C.5/1137) to the Fifth Committee in this connexion.

76. At the 1224th meeting on 13 December 1967, the representative of China in the Fifth Committee asked for information concerning the disposition of his delegation's request. The Chairman of the Advisory Committee on Administrative and Budgetary Questions expressed the view that the question should more properly be decided by the Economic and Social Council. Since the Conference would not be held until the autumn of 1968, the representative of China did not object to the suggestion of the Chairman of the Advisory Committee on Administrative and Budgetary Questions that the question should be considered by the Economic and Social Council at its forty-fourth session.

United Nations Bond Issue

77. In addition to comments made on this subject in the course of the general debate on the 1968 budget estimates, certain representatives addressed themselves at the 1218th meeting of the Committee to the question of the United Nations bond issue in connexion with consideration of section 12 of the budget.

78. The representative of Nigeria reiterated his delegation's position that the assessment for the payment of principal and interest on the United Nations bond issue (chapter V of section 12) should not be made on the basis of the existing scale of assessments, which did not take fully into account the fundamental principle of ability to pay.

79. At the previous session, his delegation and others had introduced in the Fifth Committee a draft resolution (A/C.5/L.876) calling for the establishment of a special account for the amortization and interest of the bond issue to be financed according to the principles set forth in document A/AC.113/R.18 and resolution 1874 (S-IV). The draft resolution had provoked heated discussion, and the Cameroonian delegation had introduced amendments (A/C.5/L.877) calling for the formation of a working group to study the problem. After further debate, the Committee had decided to include the various views in its report to the twenty-first session of the General Assembly (A/6631). Paragraph 76 of the report recorded the Committee's decision to postpone further discussion of the subject until the twenty-second session, so as to provide adequate time for study and mature consideration.

80. For a number of reasons, including the fact that the Fifth Committee still had before it at its current session a number of difficult problems, the sponsors believed that it would not be opportune to raise at present the issue dealt with in the draft resolution and the amendments. That should not be understood, however, as meaning that they had abandoned the question. The sponsors considered that the Committee should include in its report a decision similar to that of the previous session, postponing further discussion until the twenty-third session, in the hope that all concerned would in fact give the matter mature consideration. At all events they intended at the next session to request a vote on the draft resolution.

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81. The representative of Cameroon said that his delegation, which had submitted the amendments in document A/C.5/L.877 at the previous session, would not press for consideration of the question at the present session, for the reasons given by the Nigerian representative.

82. The Committee took note of the fact that the sponsors of the proposal submitted to the General Assembly at its previous session intended to resubmit a similar draft resolution to the General Assembly at its twenty-third session. Accordingly, discussion on the subject was postponed until that time so as to provide an opportunity for further study and consideration by all concerned.

Reorganization of the Secretariat

83. In document A/C.5/1128 the Secretary-General advised the General Assembly of his intention to reorganize the top echelon in the United Nations Secretariat by reintroducing the concept of two levels, both with proper geographical distribution. In reclassifying a number of posts to the higher level he had been guided mainly by the responsibilities attached to them, although equitable geographical distribution had also been taken into account in determining the number involved. In the same report, the Secretary-General announced his intention of appointing a small team of experts to consider the problem of the reorganization of the Secretariat at other levels and to make appropriate recommendations to him. A number of delegations commented on these proposals in the course of the general debate, and their views are summarized in paragraph 39 to 41 above. Further statements were made at the 1200th, 1201st, 1202nd, 1207th and 1210th meetings. A number of delegations, while acknowledging that the manner in which the Secretary-General wished to organize the Secretariat was a matter which rested primarily within his own discretion, and without questioning his best judgement, expressed the hope that he would find it possible to reconsider the proposed classification of the post of Legal Counsel at the lower level in the top echelon. These delegations were of the opinion that this post was of sufficient importance within the United Nations system to warrant its being included at the higher level.

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84. In document A/C.5/1147 the Secretary-General subsequently indicated that the expert group which he proposed to appoint to examine the structure of the Secretariat as a whole would consist of seven members, and provided a statement of the financial implications which would be involved under sections 3, 5 and 10 for 1968. The Advisory Committee, in its related report (A/6978), concurred in the Secretary-General's suggestion that a total amount of \$53,000 be appropriated for this purpose, comprising \$42,000 under section 3, \$9,000 under section 5 and \$2,000 under section 10.

85. The Secretary-General appeared before the Fifth Committee at its 1225th meeting to provide the Committee with further details on the work to be undertaken by the group of experts.

86. The Secretary-General, in document A/C.5/L.932, drew attention to certain consequential changes that were called for in the existing language of the relevant provisions of the United Nations staff regulations in order that effect may be given to his proposals on the reorganization of the top echelon.

87. At its 1227th meeting, the Committee decided, without objection, to recommend the adoption of a draft resolution incorporating the necessary amendments to the staff regulations, and which is attached to this report as draft resolution VI.

Emoluments of the Secretary-General

88. At its 1227th meeting, held on 15 December 1967, the Chairman drew the attention of the Committee to a letter addressed to him by the President of the General Assembly. In this letter, the President of the General Assembly noted that the emoluments of the executive heads of the major specialized agencies as well as the Under-Secretaries of the United Nations and the Judges of the International Court of Justice had been raised in recent years. In order to provide an adequate level of remuneration for the Secretary-General, whose salary and allowances have remained unchanged since January 1963, as well as to distinguish his status from that of the executive heads of the specialized agencies, he felt that the General Assembly might wish to examine this matter during the present session.

89. In an oral statement to the Committee, the Chairman of the Advisory Committee informed the Fifth Committee that the Advisory Committee had considered the matter, having foremost in mind the responsibilities and functions of the Office of the

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Secretary-General of the United Nations and the status which the Office commands. It therefore suggested that the salary of the Secretary-General be increased from \$27,500 net to \$31,600 net per annum, effective 1 January 1968, together with the appropriate post adjustment factor.

90. The Fifth Committee decided, without objection, to recommend to the General Assembly that it endorse the suggestion of the Advisory Committee that the net base salary of the Secretary-General be increased from \$27,500 to \$31,600 per annum with effect from 1 January 1968 and that application of the appropriate post adjustment should be continued.

Question of additional staff resources to be
provided for under section 3

91. With regard to the Advisory Committee's recommendations concerning the estimates for section 3 of the budget, several delegations expressed their concern that the approved work programmes would suffer as a result of the reductions in the Secretary-General's estimates proposed by the Advisory Committee. Many of these delegations stated that they could only support the reduction in section 3 recommended by the Advisory Committee on the understanding that this would not be the case. In this connexion the Under-Secretary for Economic and Social Affairs was invited to provide the Committee with his views. It was his impression that for some time the distance between the organs deciding upon activities with financial implications and those responsible for approving the relevant appropriations was growing. While paying tribute to the spirit of understanding with which the Advisory Committee approached the problems of the Department of Economic and Social Affairs, he could not in all honesty tell the Fifth Committee that the number of posts requested for his Department in the 1968 budget estimates was excessive and that the work programme would not suffer as a result of the reductions recommended. In referring to the suggestion that vacancies could be used to carry out new activities, he stated that the existence of vacancies did not offer any guarantee that the particular posts would remain vacant and could

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therefore be diverted to purposes other than those for which they had been established. Hence, it would involve a considerable risk, once recruitment to fill vacant posts had been initiated, to start recruitment of staff for the performance of different work. Furthermore, there existed a procedure which was expressly designed to take account of delays in recruitment, known as an adjustment for turnover. In these circumstances, in order to enable the full use of vacancies for work on new and uncompleted programmes, it would be necessary for the Committee to approve the establishment of the posts requested in the budget estimates, without necessarily increasing the appropriations, but by reducing the adjustment for turnover. That would involve an implicit assurance that, if the turnover deduction could not be realized, the necessary additional appropriations would be authorized.

92. In commenting on the views of the Under-Secretary for Economic and Social Affairs, the Chairman of the Advisory Committee stated that he could not share the impression that the differences in approach between organs responsible for the taking of decisions on the programmes and those charged with budgetary responsibilities had widened. On the contrary, there was now a better awareness of the interdependency between budget and programming, whereas for a long time there had been a tendency to look at just one side of the coin. With regard to the suggestion that consideration be given to increasing the number of posts in certain services without providing the concomitant financial resources, he was of the view that such a procedure would not be desirable, since it would deprive the General Assembly of the opportunity of considering the longer-term financial implications of such proposals and create an unfortunate precedent.

93. At the 1213th meeting of the Fifth Committee, the representative of Trinidad and Tobago introduced the following draft resolution (A/C.5/L.922):

The General Assembly,

Having considered the Secretary-General's proposal for additional staff in section 3 of the budget estimates for the financial year 1968 in documents A/6705 and A/C.5/1114,

Having considered also the remarks and recommendations of the Advisory Committee on Administrative and Budgetary Questions on the Secretary-General's requests for additional staff for 1968 in documents A/6707 and A/6854,

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Taking into account the fact that many delegations accept those recommendations upon the understanding that the work programme of the United Nations in the economic and social field will not be adversely affected by the reduction proposed,

Recalling however that the Secretariat has indicated that implementation of the work programme will be impaired and delayed even in those areas where it can be started,

Concerned especially that in the Development Decade, economic and social development should not suffer any further setbacks,

Noting that no increase in the appropriations recommended by the Advisory Committee will be required in the context of the vacancy situation anticipated by the Advisory Committee and the level of savings realized in past years under section 3 of the budget estimates,

Recognizing however that if adequate resources are not available in consequence of a continuation of the improvement in the vacancy situation into 1968, it may be necessary for the Secretary-General to seek supplementary appropriations under this section,

1. Authorizes the Secretary-General to recruit on a permanent basis 50 per cent of the staff originally requested in section 3 of document A/6705 (i.e., seventy-five professional and seventy-one general services staff), for allocation in the Department of Economic and Social Affairs, including the regional economic commissions, and in the library;

2. Requests the Secretary-General to finance those new posts not envisaged in the recommendations of the Advisory Committee in document A/6707 by use of the resources arising from vacancies and other savings under section 3 of the budget.

94. The financial implications of the draft resolution were presented to the Committee in document A/C.5/1145.

95. At the 1215th meeting of the Committee, the Chairman of the Advisory Committee commented on the proposal contained in the draft resolution. He expressed the view that the doubts expressed regarding the implementation of certain programmes were unfounded. He further considered that the proposal would ultimately go beyond programme budgeting or project budgeting and lead to project appropriations and separate project staffing. Such a system would safeguard the

completion of each project, but it would evade the issue of priorities, place all projects on an equal footing, and would tend to inflate the budget and the staff establishment, resulting in a surplus in many sectors and imposing a heavier burden of assessments on Member States. It was difficult to see how the establishment of new items of expenditure with pro memoria budgetary provisions could be reconciled with the Secretary-General's responsibility for translating the Organization's requirements into monetary terms, or the need to avoid the submission of supplementary estimates that would burden Member States with unexpected assessments. Should the Committee accept the substance of the draft resolution, it would be necessary to request commensurate credits to finance the new posts, since recourse to supplementary appropriations was not the best procedure.

96. One representative noted the concern that had been expressed by a number of delegations at the possible adverse effect on the work programme of the reductions proposed by the Advisory Committee under section 3. In this regard he had full sympathy with the intention of the sponsor of the draft resolution, which was designed to remedy any possible adverse effects. The same representative noted that, while some delegations thought the best solution was that set forth in the draft resolution, others thought that some other way should be found to achieve desired ends. In view of the differences of opinion regarding the best way to achieve the objectives of the draft resolution, he suggested that it should not be pressed to a vote on the understanding that a suitable paragraph would be included in the present report which would safeguard the proper implementation of the work programme.

97. In accordance with a formulation proposed by this representative on behalf of the Afro-Asian delegations, the Fifth Committee decided to take note of the fact that, while recommending a reduction of 4 per cent in the 1968 budget estimates as a whole, the Advisory Committee on Administrative and Budgetary Questions had stated that the proposed work programme of the Organization for 1968 could be carried out within the limits that Committee had recommended. The Fifth Committee, however, had taken into account the serious doubts expressed by many delegations as to whether the Advisory Committee's expectation of savings under section 3 on account of the vacancy situation would be realized. In view of the foregoing, it was felt that the proposed work programme, particularly in the economic and social fields and the library, should not be jeopardized and that the Secretary-General should be enabled to implement the work programme. /...

98. The representative of Trinidad and Tobago stated that, although his delegation could not agree with certain conclusions in the statement of the Chairman of the Advisory Committee regarding the proposal in the draft resolution, it would not press the draft resolution to a vote in favour of including the proposed paragraph in the Committee's report.

United Nations regular budget: draft resolution submitted by France,
Union of Soviet Socialist Republics, United Kingdom of Great Britain
and Northern Ireland and United States of America

99. On 21 November 1967, the representative of the United States, on behalf of France, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, and the United States of America introduced the following draft resolution:

The General Assembly,

Recalling its resolution 2150 (XXI) of 4 November 1966, adopted unanimously, which "urges that the recommendations and comments contained in the report" ^{2/} of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies "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",

Recalling further that in paragraph 26 of its report, the Ad Hoc Committee recommends that "the heads of the organizations should transmit preliminary and approximate estimates to the bodies responsible for examining the budget early enough to enable them to consider the main items of the budget well in advance of formal presentation and to make comments and suggestions thereon in good time. This could be done about one year before the date on which the legislative bodies of the organizations are required to give their final approval to the budget",

Noting that the Secretary-General in his foreword to the 1968 Budget Estimates ^{2/} directed attention to "the fundamental problem of reconciling the total work programme" of the Organization with "the total resources which Member States are prepared to make available for its implementation",

^{2/} Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343.

^{3/} Ibid., Twenty-second Session, Supplement No. 5, (A/6705).

Recognizing that it is essential to the sound management and orderly development of the United Nations and to the effective implementation of its programmes that the Secretary-General for planning purposes receive an advance indication from the General Assembly of the probable magnitude of funds which will be made available to the Organization for succeeding budgets,

1. Decides that the Secretary-General shall suggest to each regular session of the General Assembly a planning figure for the United Nations regular budget estimates for the second succeeding budgetary period (henceforth referred to as the forecast period). The planning figure for the forecast period shall be reviewed by the Advisory Committee on Administrative and Budgetary Questions and transmitted, together with its comments and recommendations, to the General Assembly no later than 1 December. The General Assembly shall consider the planning figure suggested by the Secretary-General and the comments and recommendations thereon of the Advisory Committee on Administrative and Budgetary Questions and shall at the same session approve a planning figure for the forecast period;

2. Decides further that the Secretary-General shall then construct the United Nations regular budget estimates for the forecast period within the framework provided by the planning figure approved by the General Assembly. All organs of the United Nations and their subsidiary bodies financed out of the United Nations regular budget are requested to co-operate with the Secretary-General and to act consistently with the planning figure;

3. Requests that the Secretary-General review the Financial Regulations of the Organization and take any steps required to bring them into conformity with the procedure set out above;

4. Further requests, bearing in mind the above intent with respect to the planning figure, that the Advisory Committee on Administrative and Budgetary Questions (in consultation with the Secretary-General) recommend an appropriate definition of "unforeseen and extraordinary expenses" together with a resolution (and such other actions as may be appropriate) to cope with the interrelated problems identified in paragraph 73 of its First Report to the General Assembly at its twenty-second session, ^{4/} and in Chapter III of the Second Report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, ^{5/}

^{4/} Ibid., Supplement No. 7 (A/6707).

^{5/} Ibid., Twenty-first Session, Annexes, Agenda item 80, document A/6343.

especially those recommendations relating to transfers and supplementary estimates found in paragraphs 35 and 46;

5. Decides further that the first planning figure shall be considered and approved for the forecast year 1970.

100. The key element in the proposal contained in the draft resolution was to establish a procedure for arriving at a "planning figure" for the regular budget of the United Nations, the purpose being to help improve the methods of preparing and managing the Organization's budget and programme.

101. The proposal was offered in accordance with the recommendations of the Ad Hoc Committee of Experts and General Assembly resolution 2150 (XXI) and was designed to give effect to the Ad Hoc Committee's recommendation that heads of organizations should transmit preliminary and approximate estimates to the bodies responsible for examining the budget about one year before the date on which the legislative bodies were required to give it their final approval (A/6343, paragraph 26).

102. Those delegations who supported the draft resolution expressed the view that it was essential to recognize the advantages of better planning and to make maximum use of resources. Furthermore, those who prepared the budgets would have a better basis for their work, and all countries contributing to the budgets of international organizations would know as far in advance as possible what contributions would be expected from them. In addition, the Secretary-General would be required to plan further ahead and to consult the General Assembly about the amount of resources to be devoted to the budget. The General Assembly, for its part, would give the Secretary-General the guidance he had requested as to the general magnitude of the budget which Member States would be prepared to support for the next succeeding year. Lastly, the planning figure would help the Secretary-General to build a budget which took into account priorities as decided upon by the competent organs of the United Nations.

103. The co-sponsors assured the Committee that they had no intention of proposing a ceiling for the regular budget or an arbitrary limit for the rate of growth of the Organization - nor were they attempting to circumvent the provisions of

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Article 17 of the Charter. Since the proposal provided for an orderly review of the needs at a given moment and a decision about the resources Member States were willing to provide at that moment, it would not hamper the ability of the Organization to respond to its needs, in fact, all Member States were bound to benefit if the Organization operated more efficiently. As regards long-term planning, the proposal would complement and might even accelerate the work of the bodies responsible for programme planning.

104. Certain representatives expressed the view that the proposal did not constitute a proper approach to the problems to which it was addressed; it would adversely affect the activities of the Organization and might in fact lead to their curtailment and ultimately impose a ceiling on the budget. Other delegations felt that the draft resolution did not constitute an adequate response to the Secretary-General's request for some guidance on the rate of budgetary growth that Member States would be prepared to accept either annually or over a period of years. One representative expressed the view that the most realistic approach to the problem was through long-term planning, co-ordination, evaluation, and establishment of priorities. Another representative said that the Committee should allow some time to see the results of the planning recommended by the Ad Hoc Committee before it introduced new measures or reforms.

105. One representative suggested that a "preliminary estimate", calculated in much the same way as the existing budget estimates, but prepared one year sooner than the budget estimates and not finalized until the end of the relevant session of the General Assembly, would be a more appropriate approach to the problem.

106. At the 1227th meeting of the Committee the representative of the United States, on behalf of the co-sponsors of the draft resolution contained in paragraph 99 above, submitted a revised text (see draft resolution VIII, attached to the present report). He explained that the new text contained several important changes which had been inserted to accommodate the views of other members of the Committee and were designed to strengthen the efforts towards improved management of the activities of the United Nations which was the expressed objective of all Member States. In particular, the draft took note of

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the concern expressed in the second report of the Ad Hoc Committee of Experts on the need for further development and application of an integrated system of long-term planning on a programme basis; it also recalled that the Ad Hoc Committee had urged the introduction of a procedure which would allow bodies responsible for the examination of the budget, to consider its main elements well in advance of formal presentation. He noted that in terms of the draft resolution, the General Assembly would not be asked to do more than approve the future procedure. It did not propose the establishment of a planning estimate until the forecast year 1971. Thus, the Secretary-General, the programme formulating bodies of the United Nations, and Member States would have until the twenty-fourth session of the General Assembly to make adequate preparation before the procedure became operative. This represented a significant change in the first draft which would have involved the initiation of the procedure in 1970. 107. The proposed procedure would involve the following chronological steps:

(1) By November 1969 the first reading of the budget would be about completed and therefore the approximate level of the budget to be adopted in 1969 would be known.

(2) With the programme recommendations of the programme formulating bodies for 1970 in hand, with the general magnitude of the 1970 budget established, and taking account of views expressed regarding future development of programmes, the Secretary-General would consult his principal staff and prepare his recommendations for a planning estimate for use in preparing the 1971 budget.

(3) The Secretary-General's paper would quite naturally present approximate and preliminary estimates but they would include: requirements broken down by section of the budget; a comparison with cost estimates for 1969 and 1970; and a brief explanation of the major factors expected to change for each section in 1971.

(4) This estimate would go to the Advisory Committee for its comments and then to the Fifth Committee for review and recommendation of a planning estimate to the General Assembly. In the normal course of events the planning estimate would be adopted not earlier than 15 December 1969.

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(5) Early in January 1970 - less than one month later - the Secretary-General would begin to put together the budget estimates for 1971, using as a framework the planning estimate just decided upon by the Member nations in the General Assembly. All organs of the United Nations and their subsidiary bodies financed out of the United Nations regular budget would be expected to co-operate with the Secretary-General and to be guided by the planning estimate.

(6) The budget would be put together in detail during the months of January through May, 1970.

(7) The budget estimates would be reviewed by the Advisory Committee in June and July and that Committee's comments would be transmitted to Member nations, together with the Secretary-General's budget, in early August 1970.

(8) The General Assembly would review the budget at the regular General Assembly session and would decide upon a final budget for 1971.

(9) The budget decided upon would govern expenditures for programmes in 1971.

108. The representative of the United States repeated the assurance of the co-sponsors that they did not view this procedure as one which would impose a budget ceiling or set a fixed rate of growth. He also assured the Committee that it was not their intention to curtail the United Nations role in political and security affairs, for they recognized that truly unforeseen emergencies might occur for which no provision could be made in the planning estimate. The same was true in the case of any reconsideration of the terms of the annual resolution on unforeseen and extraordinary expenses, which, under operative paragraph 6 of the draft resolution, the Advisory Committee would be asked to study and report on to the General Assembly at its twenty-third session.

109. At the 1228th meeting the representative of Tanzania, in document A/C.5/L.940 submitted a series of amendments to the proposed draft resolution, which, in his view, would safeguard the right of programme bodies to initiate economic, social and human rights activities as justifiable needs arose and would not place any undue restrictions on the authority of the Secretary-General to meet unforeseen commitments in furtherance of the political responsibilities of the United Nations.

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110. At the 1230th meeting, the representative of Iran on behalf of the Afro-Asian group of delegations, submitted amendments incorporating a number of those presented by Tanzania, which had proved acceptable to the sponsors of the draft resolution. In terms of these amendments, the first four operative paragraphs of the draft resolution would read as follows:

"1. Invites the programme-formulating bodies of the United Nations (including ECOSOC and CPC) bearing in mind the provisions of operative paragraph 2 and in consultation with the Secretary-General, to develop their own processes to carry out at the earliest possible date a system of long-term planning and programme formulation, within their respective fields of competence, taking into account the recommendations in paragraph 73 of the second report of the Ad Hoc Committee;

2. Decides that the Secretary-General, taking into account all the actions of the programme-formulating bodies (including the ECOSOC and CPC) shall suggest to each regular session of the General Assembly a planning estimate for the United Nations regular budget estimates for the second succeeding budgetary period (henceforth referred to as the forecast period). This planning estimate for the forecast period shall be reviewed by the Advisory Committee on Administrative and Budgetary Questions and transmitted, together with its comments and recommendations, to the General Assembly no later than 1 December. The General Assembly shall consider the planning estimate suggested by the Secretary-General and the comments and recommendations thereon of the Advisory Committee on Administrative and Budgetary Questions and shall at the same session approve a planning estimate for the forecast period;

3. Decides further that the Secretary-General shall then construct the United Nations regular budget estimates for the forecast period guided by the planning estimate approved by the General Assembly. All organs of the United Nations and their subsidiary bodies financed from the United Nations regular budget are requested to co-operate with the Secretary-General and to be guided by the planning estimate;

4. Requests that the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, review the Financial Regulations of the Organization and take any steps required to bring them into conformity with the procedure set out above."

111. The draft resolution, as amended, (see paragraph 122 below, draft resolution VIII) was adopted by a roll-call vote of 84 in favour, none against and 2 abstentions, as follows:

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In favour: Algeria, Australia, Austria, Barbados, Belgium, Brazil, Bulgaria, Burma, Byelorussian SSR, Cameroon, Canada, Ceylon, Chile, China, Congo (Brazzaville), Democratic Republic of the Congo, Cyprus, Czechoslovakia, Denmark, Ecuador, Ethiopia, Finland, France, Ghana, Greece, Guatemala, Guinea, Guyana, Hungary, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Kuwait, Liberia, Libya, Malawi, Malaysia, Mali, Malta, Mauritania, Mexico, Mongolia, Morocco, Netherlands, New Zealand, Niger, Nigeria, Norway, Pakistan, Philippines, Poland, Portugal, Romania, Rwanda, Senegal, Sierra Leone, Somalia, South Africa, Spain, Sudan, Sweden, Syria, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian SSR, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom, United States, Venezuela, Yugoslavia.

Against: None.

Abstaining: Afghanistan, United Republic of Tanzania.

At the 1231st meeting, several delegations explained that their support for the draft resolution had been given on the basis of the interpretation of the planning estimate contained in the statements of the co-sponsors. Some of these delegations described their understanding of how the procedures outlined in the resolution would work.

FIRST READING OF THE BUDGET ESTIMATES

112. At its 1188th, 1190th, 1197, 1201st, 1202nd, 1208th, 1211th, 1213th, 1215th, 1217th, 1218th, 1221st and 1222nd meetings, the Fifth Committee voted on the first reading of the budget estimates for 1968.

113. The first reading decisions were taken on the basis of the recommendations of the Advisory Committee on Administrative and Budgetary Questions with regard to the initial estimates submitted by the Secretary-General, as well as a series of revised estimates submitted during the course of the twenty-second session of the General Assembly.

114. In his initial estimates (A/6705 and Corr.1) the Secretary-General had proposed a gross expenditure budget of \$141,619,300 and total estimates of income in the amount of \$23,936,700. In its related report (A/6707 and Corr.1, 2 and 3) the Advisory Committee on Administrative and Budgetary Questions had

recommended a total appropriation of \$135,992,600 and estimates of income in the amount of \$23,490,800. The recommendations of the Advisory Committee on a series of revised estimates submitted subsequently involved a total additional appropriation of \$2,551,950 and additional estimates of income in a total amount of \$114,200 as follows:

	<u>Section</u>	<u>Amount</u> \$	<u>Income section</u>	<u>Amount</u> \$
(i) Decisions of the Economic and Social Council at its forty-second and forty-third sessions (A/C.5/1114 and Corr.1, A/6854)	1	20,700	1	30,000
	3	325,300		
	4	64,800		
	5	29,300		
	10	11,500		
	16	40,000		
(ii) Salaries and pensions arrangements of members of the International Court of Justice (A/C.5/1113 and Corr.1 and 2, A/6861)	18	131,350		
(iii) Payment of honoraria to the members of the International Narcotics Control Board (A/C.5/1123 and Corr.1, A/6878)	1	13,500		
(iv) Additional requirements of the Board of Auditors (A/C.5/1124, A/C.5/SR.1190)	1	51,500		
(v) Grant towards the International School at Geneva (A/C.5/1126, A/6922)	12	30,000		
(vi) Rental in the Headquarters area of commercial storage space for publications and documents (A/C.5/1132, A/C.5/SR.1201)	9	24,000		

	<u>Section</u>	<u>Amount</u> \$	<u>Income section</u>	<u>Amount</u> \$
(vii) Increase in Headquarters general service salary scales (A/C.5/1135, A/C.5/SR.1207)	3	640,000	1	119,000
	4	89,000	4	(34,800)
	16	5,000		
(viii) Second United Nations World Population Conference, 1965 (A/C.5/1138, A/C.5/SR.1221)	2	76,000		
(ix) Construction of the United Nations building in Santiago, Chile (A/C.5/1143, A/6948)	7	89,000		
(x) Development of internal reproduction capacity (A/C.5/1142, A/C.5/SR.1215)	8	38,000		
(xi) United Nations Truce Supervision Organization in Palestine (A/C.5/1146, A/6953)	16	<u>873,000</u>		
TOTAL		<u>2,551,950</u>		<u>114,200</u>

115. The results of the voting were as follows:

<u>Appropriation section</u>	<u>Recommended appropriation</u> \$	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
1. Travel and other expenses of representatives, members of commissions, committees and other subsidiary bodies	1,270,700			unanimously approved
2. Special meetings and conferences	2,359,400			unanimously approved
3. Salaries and wages	59,141,800	72	10	0
4. Common staff costs	13,739,000	73	0	10
5. Travel of staff	2,170,500	55	0	8
6. Payments under annex I, paragraphs 2 and 3, of the Staff Regulations; Hospitality	125,000			unanimously approved
7. Buildings and improvements to premises	4,861,200			unanimously approved
8. Permanent equipment	605,500			unanimously approved
9. Maintenance, operation and rental of premises	4,124,000	60	0	7
10. General expenses	5,546,500	55	0	10
11. Printing	1,600,000			unanimously approved
12. Special expenses	9,061,800	52	9	11
13. Economic development, social activities and public administration)				
14. Human rights advisory services)	6,400,000	67	4	4
15. Narcotic drugs control)				
16. Special missions	5,573,800	57	9	5
17. Office of the United Nations High Commissioner for Refugees	3,469,000			unanimously approved
18. International Court of Justice	1,356,350			unanimously approved
19. United Nations Conference on Trade and Development	9,068,000			unanimously approved
20. United Nations Industrial Development Organization	8,072,000			unanimously approved
TOTAL	138,544,550			

<u>Income section</u>	<u>Recommended estimates</u> \$	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
1. Staff assessment income	14,591,700			unanimously approved
2. Funds provided from extra-budgetary accounts	2,436,150			unanimously approved
3. General income	3,900,000			unanimously approved
4. Revenue producing activities	2,677,150			unanimously approved
TOTAL	23,605,000			

116. The observations made and reservations expressed by delegations in explanation of the vote during the first reading of the budget estimates are recorded in the summary records of the meetings at which the votes were taken.

SECOND READING OF THE BUDGET ESTIMATES

117. The first reading decisions of the Committee were affected by subsequent actions taken on the basis of the recommendations of the Advisory Committee on further revised estimates submitted by the Secretary-General under various sections, including those arising from decisions taken by the General Assembly on resolutions recommended by other Committees:

	<u>Section</u>	<u>Amount</u> \$	<u>Income section</u>	<u>Amount</u> \$
(i) The Policies of Apartheid of the Government of the Republic of South Africa (A/C.5/1141, A/C.5/SR.1217)	2	77,000		
	3	20,000		
	11	8,000		
(ii) Law of Treaties (A/C.5/1144, A/C.5/SR.1217)	2	25,700	3	1,700
(iii) Meetings of the Sub-Committee of the Committee on the Peaceful Uses of Outer Space (A/C.5/1153, A/C.5/SR.1226)	2	85,000		
(iv) Need to expedite the drafting of a definition of aggression in the light of the present international situation (A/C.5/1158, A/C.5/SR.1226)	2	40,000		
(v) Report of the International Law Commission on the work of its nineteenth session (A/C.5/1139, A/C.5/SR.1213)	3	5,600		
(vi) Examination of the question of the reservation exclusively for peaceful purposes of the sea-bed and the ocean floor (A/C.5/1151, A/6972, A/C.5/SR.1224)	3	52,000		
	10	20,000		

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	<u>Section</u>	<u>Amount</u> \$	<u>Income section</u>	<u>Amount</u> \$
(vii) Question of South West Africa (A/C.5/1157, A/C.5/SR.1227)	3 4 5	95,000 30,000 3,000	1	19,000
(viii) Appointment of a Committee of Experts to consider the reorganization of the Secretariat (A/C.5/1147, A/C.5/SR.1227)	3 5 10	42,000 9,000 2,000		
(ix) Development of internal reproduction capacity (A/C.5/1142, A/C.5/SR.1215)	11	(19,000)		
(x) United Nations International School (A/6962, A/6974, A/C.5/SR.1225)	12	49,000		
(xi) Technical programmes (A/C.5/1134, A/6931, A/6874/Add.1)	13-16	-		
(xii) United Nations Middle East Mission (A/C.5/1154, A/6983, A/C.5/SR.1225)	17	305,800		
(xiii) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (A/C.5/1160, A/C.5/SR.1227)	17	150,000		
(xiv) Increase in Headquarters General Service salary scales (A/C.5/1136, A/C.5/SR.1207)	20	17,000	3	(700)
(xv) Establishment of a joint UNCTAD-GATT Trade Centre (A/C.5/1152, A/6968, A/C.5/SR.1222)	20	90,000		
(xvi) United Nations Industrial Development Organization (A/C.5/1155, A/C.5/SR.1226)	21	160,000		
	Total	1,267,100		20,000
	First Reading Total	138,544,550		23,605,000
	GRAND TOTAL	139,811,650		23,625,000

118. At its 1230th meeting, the Committee considered the second reading of the budget estimates for the financial year 1968. The results of the voting were as follows:

<u>Appropriation section</u>	<u>Recommended appropriation</u> \$	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
1	1,270,700	unanimously approved		
2	2,587,100	81	0	1
3	59,356,400	73	10	0
4	13,769,000	74	0	10
5	2,182,500	73	0	10
6	125,000	unanimously approved		
7	4,861,200	unanimously approved		
8	605,500	unanimously approved		
9	4,124,000	74	0	9
10	5,568,500	72	0	10
11	1,589,000	80	0	2
12	9,110,800	64	9	10
13	5,113,600	73	6	4
14	991,400	73	6	4
15	220,000	71	5	5
16	75,000	74	5	4
17	6,029,600	67	11	4
18	3,469,000	72	0	10
19	1,356,350	unanimously approved		
20	9,175,000	unanimously approved		
21	8,232,000	unanimously approved		
Total	<u>139,811,650</u>	70	1	11
<u>Income section</u>				
1	14,610,700	unanimously approved		
2	2,436,150	unanimously approved		
3	3,901,000	unanimously approved		
4	2,677,150	unanimously approved		
Total income	<u>23,625,000</u>			

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119. Subsequent to its second reading of the budget estimates, the Committee, at its 1231st meeting, as a consequence of certain resolutions adopted by the General Assembly on the recommendation of other Main Committees, approved the following additional items:

	<u>Section</u>	<u>Amount</u> \$	<u>Income</u> <u>section</u>	<u>Amount</u> \$
(i) Conference of Non-Nuclear Weapons States (A/C.5/1149/Rev.1, A/C.5/SR.1230)	2	350,000		
(ii) Report of the Secretary-General on the effects of the possible use of nuclear weapons and on the security and economic implications for States of the acquisition and further development of these weapons (A/C.5/1161, A/C.5/SR.1230)	10	15,000		
	11	13,400		
(iii) Questions of the consolidation and integration of the special educational and training programmes for South West Africa, the special training programme for territories under Portuguese administration and the educational and training programme for South Africans (A/C.5/1166, A/C.5/SR.1229)	12	100,000		
(iv) Non-proliferation of nuclear weapons - resumed twenty-second session of the General Assembly (A/C.5/1167, A/C.5/SR.1230)	3	64,400	1	10,000
	9	11,000		
	10	43,500		
	11	22,000		
Total		<u>619,300</u>		<u>10,000</u>
Second reading Total		<u>139,811,650</u>		<u>23,625,000</u>
GRAND TOTAL		<u><u>140,430,950</u></u>		<u><u>23,635,000</u></u>

ESTABLISHED POSTS

120. The decisions of the Committee under sections 3, 18, 19, 20 and 21 and under income sections 3 and 4 involved the approval of established posts for the various departments and activities covered by these sections as follows:

Category and level	Section 3 ^{a/}	Section 18	Section 19	Section 20	Section 21	Income Section 3	Income Section 4
I. Secretary-General	1	-	-	-	-	-	-
Under-Secretary-General	9	-	-	1	1	-	-
Assistant-Secretary-General	11	1	1	-	-	-	-
Director	49	3	1	8	6	-	-
Principal Officer	112	5	-	13	14	-	1
	<u>182</u>	<u>9</u>	<u>2</u>	<u>22</u>	<u>21</u>	<u>-</u>	<u>1</u>
II. Professional							
Senior Officer	287	18	4	26	50	-	5
First Officer	563	21	2	55	77	-	3
Second Officer	720	25	2	74	71	1	7
Associate and Assistant Officer	443	29	6	22	39	-	8
	<u>2,195</u>	<u>102</u>	<u>16</u>	<u>199</u>	<u>258</u>	<u>1</u>	<u>24</u>
III. General Service							
Principal level	273	4	-	14	-	-	11
Other levels	2,119	180	16	244	296	2	71
	<u>2,392^{b/}</u>	<u>184</u>	<u>16</u>	<u>258</u>	<u>296</u>	<u>2</u>	<u>82</u>
Grand total	<u>4,587</u>	<u>286</u>	<u>32</u>	<u>457</u>	<u>554</u>	<u>3</u>	<u>106</u>

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- a/ Established posts for departments and offices at Headquarters; United Nations Office at Geneva; information centres; the secretariats of the Economic and Social Office at Beirut, and of the Economic Commissions for Africa (ECA), for Asia and the Far East (ECAFE), and for Latin America (ECLA); the secretariat of the International Narcotics Control Board and the Joint Staff Pension Board and the United Nations Staff Pension Committee.
 - b/ Exclusive of local level posts at information centres, the Economic and Social Office at Beirut, ECA, ECAFE and ECLA for which a budgetary credit is provided (for approximately 1,026 posts).
 - c/ Established posts for the Garage Administration.
 - d/ Established posts for the United Nations Postal Administration, Sale of Publications and Visitors' Service at Headquarters and Geneva and for Commercial Management Service at Headquarters.

Draft resolutions for 1968

121. At its 1231st meeting, the Committee adopted draft resolutions I, II and III contained in paragraph 122 below. The voting was as follows:

		<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
Draft resolution I,	A	52	0	12
	B	Unanimously approved		
	C	53	10	1
Draft resolution II	54	10	0
Draft resolution III	57	9	0

RECOMMENDATIONS OF THE FIFTH COMMITTEE

122. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

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DRAFT RESOLUTION I

Budget for the financial year 1968

A

BUDGET APPROPRIATIONS FOR THE FINANCIAL YEAR 1968

The General Assembly

Resolves that for the financial year 1968:

1. An amount of \$US140,430,950 is appropriated for the following purposes:

Section	US dollars	US dollars
<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 and members of commissions, committees and other subsidiary bodies	1,270,700	
2. Special meetings and conferences	2,937,100	
Total, part I		4,207,800
<u>Part II. Staff costs and related expenses</u>		
3. Salaries and wages	59,420,800	
4. Common staff costs	13,769,000	
5. Travel of staff	2,182,500	
6. Payments under annex I, paragraphs 2 and 3, of the Staff Regulations; hospitality	125,000	
Total, part II		75,497,300

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Section	US dollars	US dollars
<u>Part III. Premises, equipment, supplies and services</u>		
7. Buildings and improvements to premises	4,861,200	
8. Permanent equipment	605,500	
9. Maintenance, operation and rental of premises	4,135,000	
10. General expenses	5,627,000	
11. Printing	1,624,400	
Total, part III		16,853,100
<u>Part IV. Special expenses</u>		
12. Special expenses	Total, part IV	<u>9,210,800</u>
		9,210,800
<u>Part V. Technical programmes</u>		
13. Economic development, social development and public administration	5,113,600	
14. Industrial development	991,400	
15. Human rights advisory services	220,000	
16. Narcotic drugs control	75,000	
Total, part V		6,400,000
<u>Part VI. Special missions</u>		
17. Special missions	<u>6,029,600</u>	
Total, part VI		6,029,600
<u>Part VII. Office of the United Nations High Commissioner for Refugees</u>		
18. Office of the United Nations High Commissioner for Refugees	<u>3,469,000</u>	
Total, part VII		3,469,000
		/...

Section	US dollars	US dollars
<u>Part VIII. International Court of Justice</u>		
19. International Court of Justice	1,356,350	
Total, part VIII		1,356,350
<u>Part IX. United Nations Conference on Trade and Development</u>		
20. United Nations Conference on Trade and Development	9,175,000	
Total, part IX		9,175,000
<u>Part X. United Nations Industrial Development Organization</u>		
21. United Nations Industrial Development Organization	8,232,000	
Total, part X		8,232,000
	GRAND TOTAL	140,430,950

2. The Secretary-General shall be authorized to transfer credits between sections of the budget with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions;

3. The appropriations for technical assistance programmes under part V shall be administered in accordance with the Financial Regulations of the United Nations, except that the definition of obligations and the period of validity of obligations shall be in accordance with the procedures and practices established for the Expanded Programme component of the United Nations Development Programme;

4. The provisions under sections 1, 3, 5 and 11, in a total amount of \$239,150 relating to the International Narcotics Control Board, shall be administered as a unit;

5. The provisions under sections 1, 3, 4, 5, 6 and 10, in a total amount of \$555,750 relating to the United Nations Joint Staff Pension Board and the United Nations Staff Pension Committee, shall be administered in accordance with article XXVII of the Regulations of the United Nations Joint Staff Pension Fund;

6. In addition to the appropriations voted under paragraph 1 above, an amount of \$19,000 is appropriated from the accumulated income of the Library Endowment Fund for the purchase of books, periodicals, maps, and library equipment and such other expenses of the Library at the Palais des Nations as are in accordance with the objects and provisions of the endowment.

B

INCOME ESTIMATES FOR THE FINANCIAL YEAR 1968

The General Assembly

Resolves that for the financial year 1968:

1. Estimates of income other than assessments on Member States totalling \$US23,635,000 are approved as follows:

Income section	US dollars	US dollars
<u>Part I. Income from staff assessment</u>		
1. Staff assessment income	14,620,700	
Total, part I		14,620,700
<u>Part II. Other income</u>		
2. Funds provided from extra-budgetary accounts	2,436,150	
3. General income	3,901,000	
4. Revenue-producing activities	2,677,150	
Total, part II		9,014,300
GRAND TOTAL		<u>23,635,000</u>

2. The income from staff assessment shall be credited to the Tax Equalization Fund in accordance with the provisions of General Assembly resolution 973 (X) of 15 December 1955;

3. Direct expenses of the revenue-producing activities, not provided for under the budget appropriations, shall be charged against the income derived from those activities.

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C

FINANCING OF APPROPRIATIONS FOR THE FINANCIAL YEAR 1968

The General Assembly

Resolves that for the financial year 1968:

1. Budget appropriations totalling \$140,430,950 together with supplementary appropriations for 1967 totalling \$2,769,770^{6/} shall be financed in accordance with regulations 5.1 and 5.2 of the Financial Regulations of the United Nations as follows:

(a) As to \$9,014,300 by income other than staff assessment approved under part B of this resolution;

(b) As to \$787,468^{6/} by the revised income other than staff assessment for 1967;

(c) As to \$2,899,512 by the amount available in the surplus account for the financial year 1966;

(d) As to \$130,499,440 by assessment on Member States in accordance with General Assembly resolution 2291 (XXII) of 8 December 1967 on the scale of assessments for 1968;

2. There shall be set off against the assessment on Member States, subject to the provisions of General Assembly resolution 973 (X) of 15 December 1955, their respective shares in the Tax Equalization Fund in a total amount of \$14,912,868 comprising:

- (i) \$14,620,700 being the estimated staff assessment income for 1968;
- (ii) \$223,000 representing the increase in the revised income from staff assessment for 1967;
- (iii) \$69,168 being the excess of the actual income over the approved estimated income from staff assessment for 1966.

^{6/} See resolution (XXII).

DRAFT RESOLUTION II

Unforeseen and extraordinary expenses
for the financial year 1968

The General Assembly

1. Authorizes the Secretary-General, with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions and subject to the Financial Regulations of the United Nations and the provisions of paragraph 3 below, to enter into commitments to meet unforeseen and extraordinary expenses in the financial year 1968, provided that the concurrence of the Advisory Committee shall not be necessary for:

(a) Such commitments, not exceeding a total of \$US2 million, as the Secretary-General certifies relate to the maintenance of peace and security;

(b) Such commitments as the President of the International Court of Justice certifies relate to expenses occasioned by:

(i) The designation of ad hoc judges (Statute of the Court, Article 31), not exceeding a total of \$37,500;

(ii) The appointment of assessors (Statute, Article 30), or the calling of witnesses and the appointment of experts (Statute, Article 50), not exceeding a total of \$25,000;

(iii) The holding of sessions of the Court away from The Hague (Statute, Article 22), not exceeding a total of \$75,000;

2. Resolves that the Secretary-General shall report to the Advisory Committee on Administrative and Budgetary Questions and to the General Assembly at its twenty-third session all commitments made under the provisions of the present resolution, together with the circumstances relating thereto, and shall submit supplementary estimates to the Assembly in respect of such commitments;

3. Decides that if, as a result of a decision of the Security Council, commitments relating to the maintenance of peace and security should arise in an estimated total exceeding \$10 million before the twenty-third session of the General Assembly, a special session of the Assembly shall be convened by the Secretary-General to consider the matter.

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DRAFT RESOLUTION III

Working Capital Fund for the financial year 1968

The General Assembly

Resolves that:

1. The Working Capital Fund shall be established for the year ending 31 December 1968 in the amount of \$US40 million;
2. Member States shall make advances to the Working Capital Fund in accordance with the scale adopted by the General Assembly for contributions of Members to the budget for the financial year 1968;
3. There shall be set off against this allocation of advances:
 - (a) Credits to Members resulting from transfers made in 1959 and 1960 from surplus account to the Working Capital Fund in a total amount of \$1,079,158;
 - (b) Cash advances paid by Members to the Working Capital Fund for the financial year 1967 under General Assembly resolution 2244 (XXI) of 20 December 1966;
4. Should the credits and the advances paid by any Member State to the Working Capital Fund for 1967 exceed the amount of that Member State's advance under the provisions of paragraph 2 above, the excess shall be set off against the amount of the contribution payable by the Member State in respect of the financial year 1968;
5. The Secretary-General is authorized to advance from the Working Capital Fund:
 - (a) Such sums as may be necessary to finance budgetary appropriations pending the receipt of contributions; sums so advanced shall be reimbursed as soon as receipts from contributions are available for the purpose;
 - (b) Such sums as may be necessary to finance commitments which may be duly authorized under the provisions of the resolutions adopted by the General Assembly, in particular resolution (XXII) of 19 December 1967 relating to unforeseen and extraordinary expenses; the Secretary-General shall make provision in the budget estimates for reimbursing the Working Capital Fund;
 - (c) Such sums as, together with net sums outstanding for the same purpose, do not exceed \$150,000, to continue the revolving fund to finance miscellaneous self-liquidating purchases and activities; advances in excess of the total \$150,000 may be made with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions;

/...

(d) With the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, such sums as may be required to finance payments of advance insurance premiums where the period of insurance extends beyond the end of the financial year in which payment is made; the Secretary-General shall make provision in the budget estimates of each year, during the life of the related policies to cover the charges applicable to each such year;

(e) Such sums as may be necessary to enable the Tax Equalization Fund to meet current commitments pending the accumulation of credits; such advances shall be repaid as soon as credits are available in the Tax Equalization Fund;

6. Should the provision in paragraph 1 above prove inadequate to meet the purposes normally related to the Working Capital Fund, the Secretary-General is authorized to utilize, in 1968, cash from special funds and accounts in his custody, under the conditions approved in General Assembly resolution 1341 (XIII) of 13 December 1958, or the proceeds of loans authorized by the Assembly.

DRAFT RESOLUTION IV

Emoluments of the members of the International Court of Justice

The General Assembly,

Having considered the report by the Secretary-General^{7/} and the report thereon of the Advisory Committee on Administrative and Budgetary Questions,^{8/}

Decides that, with effect from 1 January 1968, the emoluments of the members of the International Court of Justice shall be as follows:

<u>President:</u>	<u>US dollars</u>
Annual salary	30,000
Special allowance	7,200
 <u>Vice-President:</u>	
Annual salary	30,000
Allowance of \$45 for every day on which he acts as President, up to an annual maximum of	4,500
 <u>Other members:</u>	
Annual salary	30,000

Ad hoc Judges referred to in Article 31 of the Statute of the Court:

Fee of \$54 for each day on which ad hoc Judges exercise their functions, plus, as appropriate, a daily subsistence allowance of \$28.

^{7/} Official Records of the General Assembly, Twenty-second Session, Annexes, agenda item 74, document A/C.5/1113.

^{8/} Ibid., document A/6861.

DRAFT RESOLUTION V

Amendments to the Pension Scheme Regulations for members
of the International Court of Justice

The General Assembly,

Having considered the reports of the Secretary-General^{9/} and the Advisory Committee on Administrative and Budgetary Questions,^{10/}

A

Resolves that the Pension Scheme Regulations for members of the International Court of Justice, contained in the annex to General Assembly resolution 1562 (XV) of 18 December 1960, as amended by General Assembly resolution 1925 (XVIII) of 11 December 1963, shall be amended as follows:

Article III

(Widow's pension)

Replace "one-third" by "one-half" wherever the term appears in article III. The revised text will then read as follows:

1. Upon the death of a married member, his widow shall be entitled to a widow's pension amounting to one-half of the pension which he would have received had he become entitled to a disability pension at the time of his death, provided that the widow's pension shall not be less than one-sixth of the annual salary.
2. Upon the death of a married former member who was in receipt of a disability pension, his widow, provided she was his wife at the date his service ended, shall be entitled to a widow's pension amounting to one-half of the pension which her husband was receiving, provided that the widow's pension shall not be less than one-sixth of the annual salary.
3. Upon the death of a married former member who was entitled to a retirement pension, his widow, provided she was his wife at the date his service ended, shall be entitled to a widow's pension calculated as follows:
 - (a) If the former member had not begun, at the date of his death, to receive his retirement pension, the widow's pension shall amount to one-half of

9/ Ibid., document A/C.5/1113.

10/ Ibid., document A/6861.

the pension which would have been payable to him under article I, paragraph 3, had he commenced to receive such pension on the date of his death, provided that the widow's pension shall not be less than one-twelfth of the annual salary;

(b) If the former member had begun to receive his retirement pension, under article I, paragraph 3, before he reached the age of sixty-five, the widow's pension shall amount to one-half of the amount of such pension, but shall not be less than one-twelfth of the annual salary;

(c) If the former member had reached the age of sixty-five when he began to receive his retirement pension, the widow's pension shall amount to one-half of his retirement pension, but shall not be less than one-sixth of the annual salary.

4. A widow's pension shall cease on her remarriage.

Article VIII

(Application and effective date)

Replace the present text by the following:

1. The present Regulations shall be applicable as from 1 January 1968 to all who are members of the Court on or after that date and to their eligible beneficiaries.

2. Former members of the Court who left office prior to 1 January 1968, or their eligible beneficiaries, shall continue to have their entitlements governed by the Regulations approved in General Assembly resolution 1562 (XV) or 1925 (XVIII), as the case may be, except that the revised provisions of article III and the consequential changes under article IV shall be applicable as from 1 January 1968 to all relevant entitlements regardless of the date on which said entitlements first became payable.

B

Desirous of protecting former members of the International Court of Justice and their eligible beneficiaries from the rise in the cost of living that has occurred since their pensions were first awarded,

Decides that, as from 1 January 1968, and notwithstanding any provisions to the contrary contained in the Regulations, pensions awarded prior to 1 January 1964 and pensions awarded between 1 January 1964 and 31 December 1967, adjusted in accordance with the revised provisions cited in article VIII, paragraph 2, shall be raised by 33 per cent and 16 per cent, respectively.

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DRAFT RESOLUTION VI

Payment of honoraria to members of the International
Narcotics Control Board

The General Assembly

1. Takes note of the report of the Fifth Committee^{11/} and of the Advisory Committee on Administrative and Budgetary Questions^{12/} on the questions of payment of honoraria to officers and members of the International Narcotics Control Board;

2. Decides to pay honoraria to the International Narcotics Control Board on the following basis:

- (1) To the President of the International Narcotics Control Board \$2,500
- (2) To the Vice-President(s) \$1,500
- (3) To other members \$1,000
- (4) These payments shall, in accordance with the decision of the General Assembly at its twelfth session, be payable in the form of an annual lump sum for any year during which the recipients attend the meetings of the Board.

11/ Ibid., document A/C.5/1123 and Corr.1.

12/ Ibid., document A/6878.

DRAFT RESOLUTION VII

Reorganization of the top echelon in the
United Nations Secretariat

The General Assembly

1. Takes note of the proposals of the Secretary-General for the reorganization of the top echelon in the United Nations Secretariat;
2. Decides that the Staff Regulations of the United Nations shall be amended with effect from 1 January 1968 as follows:

ARTICLE I - Duties, obligations and privileges:

Replace the present text of regulation 1.10 by the following text:

1.10 "The oath or declaration shall be made orally by the Secretary-General, by Under-Secretaries-General and by Assistant-Secretaries-General at a public meeting of the Secretary-General and by all other members of the Secretariat before the Secretary-General or his authorized deputy".

ARTICLE III - Salary and related allowances:

Replace the present text of paragraph (a) of regulation 3.4 by the following text:

3.4(a) "Staff members whose salary rates are set forth in paragraphs 1 and 4 of Annex I to these regulations shall be entitled to receive dependency allowances as follows:

- (i) at \$400 per year for a dependent wife or dependent husband and \$300 per year for each dependent child; or
- (ii) where there is no dependent spouse, a single annual allowance of \$200 per year for either a dependent parent, a dependent brother or a dependent sister".

ARTICLE IV - Appointment and promotion:

Replace the present text of the first sentence of paragraph (a) of regulation 4.5 by the following text:

4.5(a) "Appointments of Under-Secretaries-General and of Assistant-Secretaries-General shall normally be for a period of five years, subject to prolongation or renewal".

ANNEX I:

Replace the present text of paragraphs 1 and 2 by the following text:

ANNEX I SALARIES AND ALLOWANCES - UNDER-SECRETARIES-GENERAL
AND ASSISTANT-SECRETARIES-GENERAL

Annex I, paragraph 1

An Under-Secretary-General shall receive a salary of \$US33,500 per year and an Assistant-Secretary-General shall receive a salary of \$US30,000 per year (subject to the Staff Assessment Plan provided in staff regulation 3.3 and to post adjustments wherever applied) and, if otherwise eligible, shall receive the allowances which are available to staff members generally".

Annex I, paragraph 2

The Secretary-General is authorized, on the basis of appropriate justification and/or reporting, to make additional payments to Under-Secretaries-General and Assistant-Secretaries-General, to compensate for such special costs as may be reasonably incurred, in the interest of the Organization, in the performance of duties assigned to them by the Secretary-General. The maximum total amount of such payments is to be determined in the annual budget by the General Assembly".

DRAFT RESOLUTION VIII

United Nations regular budget

The General Assembly,

Recalling that in paragraph 68 of its second report, the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies expressed the view that "Further development and application by the United Nations family of organizations of an integrated system of long-term planning on a programmed basis is an essential ingredient in improving their programming and budgetary processes and ensuring throughout the United Nations system the most rational use of available resources",

Recalling further that in paragraph 73 of its second report the Ad Hoc Committee has formulated precise recommendations to reach the objective included in paragraph 68, by taking into account the priority needs of Member States, the over-all capability of the Organization, and the probable financial costs to Member States; and that in accordance with Articles 22 and 62 of the Charter, and General Assembly resolutions pertinent thereto, the several programme-formulating bodies of the United Nations have been especially charged to study, report, and make recommendations to the General Assembly in their respective areas of competence,

Recalling further that in paragraph 26 of its second report, the Ad Hoc Committee recommends that "the heads of the organizations should transmit preliminary and approximate estimates to the bodies responsible for examining the budget early enough to enable them to consider the main items of the budget well in advance of formal presentation and to make comments and suggestions thereon in good time. This could be done about one year before the date on which the legislative bodies of the organizations are required to give their final approval to the budget",

Considering General Assembly resolution 2150 (XXI) of 4 November 1966, adopted unanimously, which "urges that the recommendations and comments contained in the report" of the Ad Hoc Committee "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",

/...

Noting that the Secretary-General in his foreword to the 1968 budget estimates directed attention to the fact that "renewed emphasis has been placed on the need for basic measures to ensure greater efficiency and real value for money" and to the necessity of reconciling work programmes with resources,

Recognizing that it is essential to the sound management and orderly development of the United Nations and to the effective implementation of its programmes that the Secretary-General communicate in advance to the General Assembly preliminary and approximate estimates for succeeding budgets in order to enable the General Assembly to act thereon,

1. Invites the programme-formulating bodies of the United Nations (including the ECOSOC and the CPC), bearing in mind the provisions of operative paragraph 2 and in consultation with the Secretary-General, to develop their own processes to carry out at the earliest possible date a system of long-term planning and programme formulation, within their respective fields of competence, taking into account the recommendations in paragraph 73 of the second report of the Ad Hoc Committee;

2. Decides that the Secretary-General, taking into account all the actions of the programme-formulating bodies (including the ECOSOC and the CPC), shall suggest to each regular session of the General Assembly a planning estimate for the United Nations regular budget estimates for the second succeeding budgetary period (henceforth referred to as the forecast period). This planning estimate for the forecast period shall be reviewed by the Advisory Committee on Administrative and Budgetary Questions and transmitted, together with its comments and recommendations, to the General Assembly no later than 1 December. The General Assembly shall consider the planning estimate suggested by the Secretary-General and the comments and recommendations thereon of the Advisory Committee on Administrative and Budgetary Questions and shall at the same session approve a planning estimate for the forecast period;

3. Decides further that the Secretary-General shall then construct the United Nations regular budget estimates for the forecast period guided by the planning estimate approved by the General Assembly. All organs of the United Nations and their subsidiary bodies financed from the United Nations regular budget are requested to co-operate with the Secretary-General and to be guided by the planning estimate;

/...

4. Requests that the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, review the Financial Regulations of the Organization and take any steps required to bring them into conformity with the procedure set out above;

5. Requests the Secretary-General to submit for consideration to the General Assembly at its twenty-third session an integrated schedule of meetings for the various bodies responsible for carrying out the several parts of an integrated system of programming and budgeting;

6. Further requests, bearing in mind the above intent with respect to the planning estimate, that the Advisory Committee on Administrative and Budgetary Questions, in consultation with the Secretary-General, recommend for consideration by the General Assembly at its twenty-third session an appropriate definition of "unforeseen and extraordinary expenses" together with a resolution (and such other actions as may be appropriate) to cope with the interrelated problems identified in paragraph 73 of its first report to the General Assembly at its twenty-second session, and in chapter III of the second report of the Ad Hoc Committee, especially those recommendations relating to transfers and supplementary estimates found in paragraphs 35 through 46;

7. Decides further that the first planning estimate shall be considered and approved for the forecast year 1971.
