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Fourth session

Item 18 c of the agenda

PALESTINE: ASSISTANCE TO PALESTINE REFUGEES

Report of the Fifth Committee

Rapporteur: Dr. Maria Z.W. WITTEVEEN (Netherlands)

1. In accordance with Rule 142 of the Rules of Procedure of the General Assembly, and with the request of the President in his letter dated 3 December 1949 to the Chairman of the Fifth Committee (A/C.5/365), the Fifth Committee, at its 234th meeting, held on 7 December 1949, considered the effect on the budget estimates for 1950 of the draft resolution concerning assistance to Palestine refugees (A/1222) adopted by the Ad Hoc Political Committee on 2 December 1949.
2. The Committee had before it a report by the Secretary-General (A/C.5/366) on the financial implications of this draft resolution, and the Thirty-third report of 1949 of the Advisory Committee on Administrative and Budgetary Questions (A/1210) which had considered the report of the Secretary-General in accordance with the request of the Fifth Committee at its 233rd meeting.
3. The Fifth Committee was informed that the relief and works programme outlined in the Ad Hoc Political Committee's resolution were estimated to cost, for an 18-month period beginning 1 January 1950, a total of \$54,900,000, and that such programmes are to be financed from a Special Fund, contributions to which will be on a voluntary basis. It was the Committee's understanding that all expenditures, both administrative and operational, will be carried under the Special Fund, and that no additional costs will therefore be incurred on the regular United Nations budget for administrative services and facilities furnished to the United Nations Relief for Palestine Refugees and to the proposed new agency.

/4. With regard

4. With regard to the provision of the draft resolution under which the Secretary-General is authorized, in consultation with the Advisory Committee, to advance funds not exceeding \$5,000,000 from the Working Capital Fund for the purpose of financing operations, subject to repayment not later than 31 December 1950 from the voluntary governmental contributions, the Fifth Committee concurred in the opinion expressed by the Secretary-General and endorsed by the Advisory Committee that, on the basis of previous years' experience, there is little possibility of an amount exceeding \$3,000,000 being available before 1 July 1950. On the other hand, in view of the present rate of expenditure, funds in excess of \$3,000,000 will be required before March, and the Committee concurred in the observation of the Advisory Committee that this financial situation emphasizes the need for early action by Members of the United Nations in making their voluntary contributions to the Special Fund as well as their contributions to the United Nations budget for 1950.

5. The attention of members of the Committee was called particularly, both by the Secretary-General and by the Advisory Committee, to the importance of ensuring that the position of the Working Capital Fund is not impaired as a result of contributions in United States dollars to the Special Fund being unduly limited. It was therefore stressed by the Advisory Committee that repayment of any advance should be a first claim against United States dollar contributions to the Special Fund. In this connexion, it was stated that governmental contributions to the Special Fund will not be earmarked as between direct relief and works projects but, subject to the financial regulations, will be allocated by the Director in consultation with his Advisory Commission.

6. The Committee was advised further, in the report of the Advisory Committee, that preliminary negotiations concerning the proposed loan of \$2,800,000 from the International Refugee Organization authorized in the draft resolution, indicated that it is unlikely that any part of the loan will be in United States dollars. Accordingly, the Committee concurred in the hope expressed by the Advisory Committee that the loan may be forthcoming as early as possible in currency readily useable in the relief operation. In this regard, it was noted that the Advisory Committee will be consulted further during these negotiations and will also be consulted with respect to the establishment of financial regulations governing the whole programme, following the appointment of a Director for the new agency.

7. In the course of discussion in the Fifth Committee, an assurance was given on behalf of the Secretary-General that every effort would be made to provide, by way of an advance from the Working Capital Fund, the necessary assistance in order that the programmes contemplated under the resolution might be commenced without delay. He was reasonably confident that with the funds expected to be available from the Working Capital Fund and from the loan from the International Refugee Organization, the problems with respect to financing pending receipt of voluntary contributions could be surmounted. The representative of Syria requested that the Committee, in its report, should record appreciation of the Secretary-General's desire to afford the fullest assistance.
8. Following a brief discussion, the views expressed in the reports submitted by the Secretary-General and the Advisory Committee were unanimously endorsed.
9. The Fifth Committee decided to inform the General Assembly that adoption of the draft resolution submitted by the Ad Hoc Political Committee would have no effect on the budget estimates for 1950. The Fifth Committee, however, draws the attention of the General Assembly to the foregoing observations.