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Chairman: Mr. Awni KHALIDY (Iraq).

Opening remarks by the Chairman

1. The CHAIRMAN returned thanks for the honour shown him in his election as Chairman of the Fifth Committee which he regarded as a recognition of the increasingly vital role played in world affairs by his country in association with its neighbours in the Middle East, with whom it shared a common interest in, and approach to, the problems confronting the United Nations. He would do his best to live up to the high standard of chairmanship to which the Fifth Committee was accustomed.

2. The Committee was once again faced with a long and difficult agenda. While the task assigned to it might appear somewhat remote from the critical political issues of the day, each item it was called upon to study was vital to the efficient functioning of the United Nations, and the decisions of the Committee would have far-reaching implications. The two major items on the agenda were the United Nations budget for the coming year, and the scale of assessments for the apportionment of United Nations expenses. A third question of great importance was that of personnel policy. While it might at a first glance appear strange that a detailed review of personnel policy should be thought necessary, when so many unresolved issues of high political significance were before the United Nations, a little reflexion would show that the matter merited most careful attention, in view of the vital role conferred by the Charter on the Secretary-General and the Secretariat.

3. Additional matters would undoubtedly be referred to the Committee from time to time by other Assembly committees, but if the Committee organized its work well and applied itself diligently to its task, he was confident that it could complete its agenda by the appointed date. While he would always do his best to afford ample opportunity for the fullest discussion, he trusted that the Committee could, as in previous years, expend the minimum of time and effort on issues which were primarily political and procedural, in order to

devote the maximum attention to those which involved important considerations of administrative, budgetary and personnel policy.

Election of the Vice-Chairman

4. Mr. GANEM (France) nominated as Vice-Chairman Mr. van Asch van Wijck (Netherlands) who had taken over the duties so ably performed by Miss Witteveen, the former Netherlands representative on the Fifth Committee.

5. Mr. CARRIZOSA (Columbia) seconded the nomination.

Mr. van Asch van Wijck (Netherlands) was elected Vice-Chairman by acclamation.

6. Mr. VAN ASCH VAN WIJCK (Netherlands), returning thanks for his election, said he would convey to Miss Witteveen the tribute paid to her work.

Election of the Rapporteur

7. Mr. BRENNAN (Australia) nominated Mr. Ahson (Pakistan) as Rapporteur.

8. Mr. FAHMY (Egypt) and Mr. PACHACHI (Iraq) supported the nomination.

Mr. Ahson (Pakistan) was elected Rapporteur by acclamation.

9. Mr. AHSON (Pakistan) thanked the Committee for the honour done him.

10. The CHAIRMAN proposed that the Fifth Committee should follow its customary practice of inviting Mr. Aghnides, chairman of the Advisory Committee on Administrative and Budgetary Questions to participate freely in its deliberations.

It was so agreed.

11. Mr. AGHNIDES (Chairman of the Advisory Committee in Administrative and Budgetary Questions) thanked the Committee for its invitation.

Order of discussion of agenda items (A/C.5/541)

12. The CHAIRMAN pointed out that the list of items on the Committee's agenda (A/C.5/541) was not exhaustive, since under the rules of procedure other committees would probably refer additional items to the Fifth Committee for a report on their financial implications. He suggested that the Committee should adhere to the order set out in the agenda paper on the understanding that modifications could, if necessary, be introduced at any time.

13. He would, however, suggest that priority should be given to item 3 [44]*, Report of the Negotiating

* Indicates the item number on the agenda of the General Assembly.

Committee for Extra-Budgetary Funds [44]*. Early action in plenary on that item was important in order that full advantage might be taken of the presence of visiting representatives from many Member countries.

14. The Committee could then proceed to item 1 [37]*, Financial Reports and Accounts and Reports of the Board of Auditors, holding over, however, sub-items (c) and (d), concerning the United Nations Korean Reconstruction Agency (UNKRA) and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), until the reports on those items had been issued and the comments of the Advisory Committee were available.

15. The Committee might take as its third item, item 2 [47]* of the agenda, the United Nations Joint Staff Pension Fund, on which the Advisory Committee's report would be available shortly.

16. It could start next upon the examination of the 1954 budget estimates, item 4 [39]*. He assumed that members would wish to follow the practice of former years by having a general discussion on the budget proposals as a whole and the related administrative and financial issues dealt with in the Advisory Committee's report. He suggested that the supplementary estimates for 1953, item 5 [38]* not normally available until the end of October or early in November, should be taken either during the first reading of the 1954 budget estimates or as soon as that task had been substantially completed, if the Advisory Committee's report was then available.

17. Next it would be useful to consider the scale of assessment for the apportionment of the expenses of the United Nations for 1954, item 6 [42]*, that delegations might know their 1954 assessment obligations at the earliest possible date.

18. Candidates were required, item 7 [40]*, for vacancies on the Advisory Committee on Administrative and Budgetary Questions, the Committee on Contributions, the Board of Auditors, and the United Nations Administrative Tribunal, for which delegations were requested to submit names, with a brief biographical note, to the Committee Secretary as soon as possible and, in any case, not later than 3 October 1953; the Secretary would then circulate the lists of candidates.

19. The remaining items of the agenda, other than item 14 [51]* relating to personnel policy, item 16 [48]* the organization of the Secretariat and perhaps item 17 [52]* the question of a change in the opening date of the General Assembly's regular sessions, appeared to present no special problems and might be considered at any convenient stage in the Committee's debates. He assumed that members would wish to have the Advisory Committee's memorandum on the reports of the Secretary-General under item 12 (Narcotic Drugs) [68]* and item 17 [52]* (Question of a change in the opening date of regular sessions of the General Assembly).

20. Items 13 [50]* and 14 [51]* relating to personnel policy concerned one of the most important and perhaps difficult problems confronting the Fifth Committee. The Secretary-General had said he would require some time to complete his report and make recommendations. The Advisory Committee would wish to review those recommendations most carefully, and delegations should have time to study the conclusions both of the Secre-

tary-General and of the Advisory Committee. Similar considerations applied to item 16 [48]* on the organization of the Secretariat. In the circumstances those questions would probably not be discussed before November, and he would, therefore, urge the Committee to complete as much of its agenda as possible during the next five or six weeks so as to avoid running the risk of having to dispose too hastily of those important issues.

21. Having regard to the nature of the agenda and the probability of additional business coming before the Committee from time to time, as also the need for closely co-ordinating its work with that of the Advisory Committee, it would be useful to review the progress made at relatively regular intervals. The order of the items on the agenda need not rigidly be observed and members would have an opportunity to review the relative priorities established.

22. He added that if there were no objections, he would consider his suggestions adopted.

It was so agreed.

Report of the Negotiating Committee for Extra-Budgetary Funds (A/2478)

[Item 44]*

23. The CHAIRMAN invited the Chairman of the Negotiating Committee to introduce that Committee's report (A/2478).

24. Mr. AZKOUL (Lebanon) (Chairman of the Negotiating Committee) said that the practical results of the Committee's work were set forth in the annex to its report which listed the contributions paid or promised for the four programmes with which the Committee was concerned—those of the Expanded Programme of Technical Assistance for the economic development of under-developed countries, the United Nations International Children's Emergency Fund (UNICEF), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), and the United Nations Korean Reconstruction Agency (UNKRA). Both Members of the United Nations and non-member States had contributed generously, but further contributions were needed if those programmes were to be maintained at their present level and if the fresh needs arising in Korea as a result of recent events were to be met.

25. By its very nature the task of the Committee had been difficult, requiring a delicate balance of tact and firmness, diffidence and importunity. It was hard to convince a government, itself in financial difficulties, of the compelling need of groups of people thousands of miles away. Nevertheless, a surprising amount of success had been achieved. Unfortunately, however, the response had not been equal to the degree and urgency of the need. On 21 August 1953, in the hope of encouraging a greater and speedier response he had circulated a letter to Member and non-member States setting out the financial requirements for the coming year of the four United Nations programmes and inviting governments to consider the matter so that their representatives might be in a position to inform the General Assembly at its eighth session what contributions they would be able to make. It was vitally important for the smooth functioning of the programmes that administrations should have some idea in advance of the money that would be available to

them. He hoped, therefore, that delegations would give their full support to the Negotiating Committee's successor, in the knowledge that the work it sponsored represented one of the finest achievements of the United Nations.

26. Mr. BRENNAN (Australia) expressed his delegation's keen appreciation of the Negotiating Committee's and particularly its Chairman's efforts in carrying out an extremely difficult task. The General Assembly being required to make provision for the continuation of its work by a committee of Member Governments, his delegation, jointly with those of Canada, Colombia, France, Haiti, Lebanon and the United States had drafted a resolution (A/C.5/L.235) proposing the appointment of a further Negotiating Committee with the same terms of reference as the previous one. He said that the Committee made both formal and informal approaches to governments to obtain contributions for the voluntarily financed programmes and explained how those approaches were made. He suggested that if any delegations thought modifications of the Committee's present procedure were desirable, they might discuss them with the Committee.

27. The Negotiating Committee was the medium through which representatives of governments lent their support to the administration of the voluntarily financed programmes in carrying out the indispensable task of finding the funds needed to enable them to carry on their work. His delegation felt it important that governments should be encouraged to share that responsibility, and it therefore fully supported the continuance of the Negotiating Committee.

28. Mr. FENAUX (Belgium) whole-heartedly associated his delegation with the views of the sponsors of the draft resolution. He paid a tribute to the Negotiating Committee's work and to the tact of its Chairman Mr. Azkoul and said that experience had shown that certain apprehensions felt in the early days had not been justified; he was happy to withdraw the reservations about the Committee's methods of work made earlier by his own delegation. He also supported the joint draft resolution for the continuance of the Negotiating Committee in its present form and with its present methods of procedure.

29. Mr. GREZ (Chile) congratulated the Chairman of the Negotiating Committee on his excellent report, but pointed out that the figure of \$250,000 appearing against the name of Chile as a pledged contribution to the work of UNKRA was not a debt owed by his Government but represented the value of the gift of 5,000 tons of saltpetre which was ready and awaiting collection at a Chilean port. The agency had not provided a ship to remove it.

30. Mr. FRIIS (Denmark) expressed his delegation's satisfaction with the results achieved by the Negotiating Committee under its able chairman during the preceding year. He noticed that in the table annexed to the report only half of the amount pledged by his Government as a contribution to the expanded programme for technical assistance in 1953 was listed as paid. In order to avoid any misunderstanding he wished to point out that the full amount was already available for use under conditions with which the Technical Assistance Administration had been fully aware from the beginning of the year. His Government hoped that the total pledge would in fact be utilized.

31. Mr. Friis wished to support the opinion of the Negotiating Committee that better co-ordination between the various approaches to governments for extra-budgetary funds should be aimed at. On the basis of recent experience his Government felt that this matter should be given further consideration in the interest of orderly administration and possible economy in the field of travel expenditure.

The joint draft resolution (A/C.5/L.235) was adopted unanimously.

Financial reports and accounts, and reports of the Board of Auditors

[Item 37]*

(a) United Nations, for the financial year ended 31 December 1952 (A/2392, A/2403)

32. The CHAIRMAN drew attention to the comments of the Advisory Committee on Administrative and Budgetary Questions, contained in part II of its first report to the eight session (A/2403). He proposed that discussion of paragraphs 242 to 247 of that part of the Advisory Committee's report, concerning the award of costs by the Administrative Tribunal, should be deferred until a later and more appropriate date.

It was so decided.

33. In the absence of comment on the reports, the CHAIRMAN proposed that the Committee should recommend the adoption of the following draft resolution.

"The General Assembly

"1. Accepts the Financial Report and Accounts of the United Nations for the financial year ended 31 December 1952, and the certificate of the Board of Auditors;

"2. Concurs in the observations of the Advisory Committee on Administrative and Budgetary Questions as set forth in paragraphs 248-250 of its first report to the eighth session of the General Assembly (A/2403)."

The draft resolution was adopted by 47 votes to none, with 5 abstentions.

34. Mr. BOTHA (Union of South Africa) explained that in voting for the resolution, his delegation had not intended to endorse the suggestion of the Board of Auditors with regard to the Working Capital Fund.

35. The CHAIRMAN assured the representative of the Union of South Africa that the question of the Working Capital Fund would be open for discussion at a later stage in the proceedings.

(b) United Nations International Children's Emergency Fund for the financial year ended 31 December 1952 (A/2396, A/2455)

36. Mr. BRENNAN (Australia) pointed out that the only matter upon which the Advisory Committee had commented in its report (A/2455) concerned the administrative expenditure of UNICEF. The same point had been mentioned in the Advisory Committee's report to the General Assembly's seventh session (A/2220) at which time it had been explained that the rise in the proportion expended on administration was due to two factors; first, that the voluntary assistance extended by UNICEF had dropped since the early days of its activity. Consequently, administrative costs tended to be greater; and second, that

the type of assistance now given by UNICEF was more complex than it had previously been. Long-range activities in under-developed countries necessitated the acquisition of a variety of supplies and the consequent placing of a large number of small contracts as distinct from its earlier practice of placing a smaller number of large contracts.

37. UNICEF was the only extra-budgetary programme which had an Executive Board composed of government representatives. The Executive Board's subsidiary Committee on Administrative Budget, when presenting to the Board its proposals for the 1954 administrative budget, had recommended a new definition of administrative expenses and operational services, as a result of which the percentage of administrative costs would show a sharp decline. The Australian delegation wondered whether the Fifth Committee would agree to request the Advisory Committee, when reviewing the financial reports of UNICEF in the following year, to examine the new definition of administrative costs in order to be sure that it was in accordance with the definitions used in other programmes.

38. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) confirmed that there was at present no uniform definition of what constituted administrative expenses and what operational expenses, the UNICEF definition differing from that which had been developed for the Expanded Programme of Technical Assistance. The Advisory Committee, being aware of that fact when studying the UNICEF report, had considered the question of a uniform definition, but had decided against proposing one, since the circumstances differed in the two cases. If the Committee so desired, the Advisory Committee would gladly take up the point, but he felt obliged to point out that the question would be a very complex one, since any definition that might be devised, while perhaps reasonable and proper in terms of one programme, might do grave injustice to another.

39. Sir Alec RANDALL (United Kingdom) realized that administrative expenses could not be expected to decrease in the same proportion as total expenditure, in view of the change of emphasis in the programme and of the fact that a large number of countries were now receiving assistance in a wider variety of ways. He felt however that a larger reduction in administrative expenditure might have been possible. He hoped the Executive Board of UNICEF would review the matter carefully from time to time and would keep administrative expenditure as low as possible consistently with the efficient operation of the organization. The United Kingdom, which deeply appreciated the work accomplished by UNICEF, particularly in United Kingdom dependent territories, was, on that very account, anxious to see the work conducted as efficiently and economically as possible.

40. Mrs. BOLTON (United States of America) supported the United Kingdom representative's remarks regarding the high administrative costs of UNICEF. Her delegation noted with real concern that while annual expenditure on assistance had decreased from \$44,382,175 in 1949 to \$11,462,015 in 1952, the net administrative cost had been reduced by something less than \$500,000, although many administrative

services were contributed by recipient governments. While it realized that the change in programme policy would of necessity increase the ratio of administrative to operational costs, it still considered the administrative expenditure unduly high. The United States Government would keep the matter under constant review and hoped it could count upon the support of other governments, with the object of ensuring that as large a share as possible of UNICEF funds were used in the service of the children for whom the agency had been set up. The United States delegation associated itself with the United Kingdom delegation's appreciation of the good work UNICEF was performing.

41. Mr. BRENNAN (Australia) assured the Chairman of the Advisory Committee that if the definitions of "administrative" and "indirect operational" expenses used in the Expanded Programme of Technical Assistance were not suited to the needs of UNICEF, he would certainly not suggest that they be adopted by UNICEF.

42. He drew attention to the table setting out the percentage of total expenditure absorbed in administration (A/2396, paragraph 15) and said that the percentage of 13.8 given for 1952 included certain costs which under the new definition approved by the Executive Board would be regarded as operational in nature. As a result of the adoption of the new definition, administrative expenses in 1954 would drop to about 8.6 per cent. He therefore suggested that the Advisory Committee should examine the revised definition of administrative costs and advise the Fifth Committee in due course if it considered it to be reasonable and satisfactory, regardless of whether or not it coincided with the Technical Assistance definition. If the UNICEF definition were acceptable, it would do much to allay the fears of those who had criticized the high administrative expenditure.

43. Mr. FENAUX (Belgium) supported the Australian representative's remarks and explained their scope. He could say from his experience of the work of the UNICEF Executive Board that that organization was an example to others in the careful management of its expenditure and in its endeavours to reduce administrative costs.

44. The CHAIRMAN suggested that the Committee should request the Advisory Committee to consider the revised definition and that the remarks of the various representatives on the subject should be reflected in the Rapporteur's report.

It was so agreed.

45. The CHAIRMAN proposed that the Committee should recommend the following draft resolution:

"The General Assembly

"1. Accepts the Financial Report and Accounts of the International Children's Emergency Fund for the financial year ended 31 December 1952 and the Certificate of the Board of Auditors;

"2. Takes note of the observations of the Advisory Committee on Administrative and Budgetary Questions with respect to the report of the Board of Auditors."

The draft resolution was adopted unanimously.

The meeting rose at 5.5 p.m.