

UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
RESTRICTED

A/CN.1/R.444/Add.5
22 August 1960
ENGLISH
ORIGINAL: FRENCH

ADVISORY COMMITTEE ON ADMINISTRATIVE
AND BUDGETARY QUESTIONS

UNIVERSAL POSTAL UNION

Budget Estimates for the Financial Year 1961

(Memorandum submitted by the Director of the International
Bureau of the Universal Postal Union)

	<u>Sw. frs.</u>
1961 budget estimates	3,465,000
1960 revised budget	2,757,000
1959 gross expenditure	2,687,128

General observations

The Universal Postal Union has no special financial regulations, most of the provisions relating to its finances being contained in the 1957 Ottawa Convention at present in force, in its Detailed Regulations, and in the Regulations concerning the organization and operation of the International Bureau and the supervision of its work.

Under the provisions of article 20, section 1, of the Ottawa Convention, each Congress fixes the maximum figure for the ordinary annual expenditure of the Union, including the working expenses of the Executive and Liaison Committee and of the Consultative Committee for Postal Studies. The Ottawa Congress fixed the ceiling for this ordinary expenditure at 1,750,000 gold francs, or 2.5 million Swiss francs (article 112 of the Convention Regulations).

Also under article 112 of the Convention Regulations, the Swiss Postal Administration makes necessary advances to the Universal Postal Union and supervises the expenditure of the Union. The sums advanced are to be repaid

by the debtor Administrations as soon as possible and at the latest by 31 December of the year in which the account is despatched; the sums due bear interest at the rate of 5 per cent per annum reckoned from the date of expiry of the said period.

Finally, under the provisions of article 6 of the Regulations concerning the organization, operation and supervision of the International Bureau, the latter "shall transmit to the supervisory authority (Swiss Federal Government), in good time and with an accompanying explanatory statement, its budget estimates and any requests it may make for supplementary credits. The budget estimates shall contain, arranged by headings, information on all probable expenditures and receipts of the International Bureau, both ordinary and extraordinary, the corresponding figures from the previous budget and the last annual accounts, and a detailed table, presented as an annex...., of any contributions of States members of the Union outstanding at 1 December of the previous year.

"The explanatory statement shall contain such details and further information as will assist the supervisory bodies in understanding and evaluating the budget and the requests for supplementary credits..."

As regards the monthly rendering of accounts, article 7 of the same Regulations provides the following: "The Bureau shall close its books at the end of each month and, within a period of three weeks, shall submit to the Federal Controller's Office, to which the supervisory authority has assigned responsibility for auditing them, its monthly accounts, together with all vouchers, countersigned by the Director of the Bureau, which shall serve as supporting documents..."

The Universal Postal Union still has the following three Funds:

1. The Reserve Fund established by the Ottawa Congress whose purpose is to stabilize contributions by the Union's member Countries so long as no change is made in the budgetary ceiling set by a Congress;
2. The Pensions Fund for the staff of the International Bureau established in 1880 under the title of Assistance Fund and renamed by the Ottawa Congress;
3. The Assistance Fund for the staff of the International Bureau.

Analysis of budget estimates

The budget estimates for the financial years 1960 and 1961 by major categories of expenditure are shown in the following table for purposes of comparison:

	<u>1960</u>	<u>1961</u>
	Sw. frs.	Sw. frs.
Staff	1,329,000	1,455,000
General services (travel and transportation expenses, printing, office supplies and equipment, premises furniture and technical equipment)	1,303,000	1,670,000
Special activities	125,000	340,000
	<u>2,757,000</u>	<u>3,465,000</u>
Casual revenue	190,000	507,000
Net totals	<u><u>2,567,000</u></u>	<u><u>2,958,000</u></u>

The International Bureau will have the same total number of staff members (43 regular staff members) in 1961 as it had in 1959. The difference of 126,000 francs in 1961 under the heading "Staff" is due to regular increases in salary, to the raising of the children's allowance from 360 to 600 francs per child, and to the recruitment of supplementary staff to help in preparing for the 1962 Rio de Janeiro Congress.

The rise of 367,000 francs over 1960 in expenditure under the heading "General services" is mainly due to additional costs connected with arrangements for the meeting of the Consultative Committee for Postal Studies probably in Japan, and to the cost of printing proposals put forward by Postal Administrations for the Rio de Janeiro Congress.

The difference of 215,000 francs in "Special activities" expenditure, as compared with 1960, represents printing costs of the larger number of publications planned for 1961.

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The increase of 317,000 francs in "Casual revenue" results mainly from repayment by the Postal Administrations of the cost of the interpretation services at the many meetings to be held by the Executive and Liaison Committee and the Consultative Committee for Postal Studies.

Outstanding contributions

Under article 20 of the Ottawa Universal Postal Convention the expenditure of the UPU is borne in common by all the Countries of the Union. To this end, member-Countries are grouped in seven contribution classes.

The total amount of the contributions of UPU member-Countries for 1959 is 2,511,740 francs; in June 1960 the Administrations had paid into the International Bureau 1,520,318.20 francs, or 60.53 per cent. The time-limit for payment of contributions for 1959 expires on 31 December 1960.

Total outstanding contributions for previous years up to and including 1958 amounted, in June 1960, to 115,138,40 Swiss francs.
