



## General Assembly

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Item 49 of the preliminary list\*

REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL  
FUNCTIONING OF THE UNITED NATIONSQuestions relating to the programme budget: use and operation of  
the contingency fundNote by the Secretary-General

1. In paragraphs 12 and 13 of its resolution 42/211 of 21 December 1987, the General Assembly concurred with the relevant observations and recommendations made by the Advisory Committee on Administrative and Budgetary Questions on the contingency fund (A/42/640, paras. 4-14) and approved the guidelines for the contingency fund as set out in the annex to that resolution. In paragraph 14 of the same resolution, the Assembly requested the Secretary-General to submit to it at its forty-third session, through the Committee for Programme and Co-ordination and the Advisory Committee, proposals for provisional procedures on the use and operation of the contingency fund based on the guidelines given in the resolution.
2. In section 1, paragraph 1, of its resolution 42/215 of 21 December 1987, the General Assembly endorsed the amendments to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, as recommended by the Committee for Programme and Co-ordination at its twenty-seventh session. 1/ These amendments were designed, inter alia, to reflect changes in the budget process as indicated in sections A and B of annex I to Assembly resolution 41/213 of 19 December 1986. Included in the amendments recommended by the Committee for Programme and Co-ordination was a provision that once the Assembly had approved arrangements for the contingency fund and additional expenditures, a text reflecting those arrangements would be inserted in regulation 3.2 regarding the budget process.

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\* A/43/50.

3. Accordingly, it is proposed that the text of regulation 3.2 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation should be expanded, as indicated in the annex to the present note, to reflect the decisions on the contingency fund taken by the General Assembly in its resolution 42/211.

4. Should the General Assembly approve these changes to regulation 3.2, it might also be deemed appropriate, in due course, to modify the rules of procedure of the respective legislative bodies to reflect the consequential changes in their procedures.

Notes

1/ Official Records of the General Assembly, Forty-second Session, Supplement No. 16 (A/42/16, part two, para. 74).

ANNEX

Proposed supplementary article to the Regulations and Rules  
Governing Programme Planning, the Programme Aspects of the  
Budget, the Monitoring of Implementation and the Methods  
of Evaluation

Regulation 3.2: Budget process

C. Contingency fund

1. Criteria for use of the contingency fund

8. The following categories shall apply:

- (a) Additional resources that may be required as a result of the consideration of statements of programme budget implications;
- (b) Revised estimates:
  - (i) On the amounts required over and above the estimates of the proposed programme budget for those activities which had been included in the proposed programme budget but which were not acted upon at first reading pending the submission of additional information;
  - (ii) For construction, only additional requirements related to changes in the scope of those projects which are so urgent that the matter cannot wait to be considered in the context of the budget outline; additional requirements related to cost increases shall be handled under provisions for dealing with inflation and currency fluctuation; similarly, additional requirements related to the effects of natural disasters or unforeseen obstacles shall be handled on an ad hoc basis and shall not be covered by the contingency fund;
  - (iii) Legislative mandates, such as those resulting from decisions of the Economic and Social Council.

2. Period covered and pattern of use of the contingency fund

9. The contingency fund covers additional expenditures relating to the biennium that are based on decisions taken in the year preceding the biennium as well as during the biennium.

10. While prudent use of the fund requires that it should not be exhausted before the end of the period of use, no pre-determined proportion for a given year shall be set, pending review in the light of experience with the actual operation of the fund.

### 3. Operation of the contingency fund

11. In the off-budget year, the General Assembly shall decide on the size of the contingency fund in accordance with the provisions of annex I of its resolution 41/213.

12. Starting with the budget year (i.e., the year before the commencement of the biennium) and continuing throughout the biennium, the General Assembly shall decide on the actual amounts to be utilized from the fund on the basis of statements of programme budget implications and revised estimates.

13. Each statement of programme budget implications and each proposal for revised estimates shall contain a precise indication of how the alternatives mentioned in paragraph 9 of annex I to General Assembly resolution 41/213 would be applied in case it is not possible to finance all or part of the additional requirements from the fund. Each draft resolution accompanied by such a statement of programme budget implications shall be adopted subject to the provisions of that statement.

14. The statement of programme budget implications and proposals for revised estimates, formulated as indicated in paragraph 13 above, shall be considered by the General Assembly. Resolutions shall be adopted by the Assembly subject to the understanding described in paragraph 13 above.

15. A deadline shall be set for the consideration of statements of programme budget implications and revised estimates. After that date, the Secretary-General shall prepare and submit a consolidated statement of all programme budget implications and revised estimates considered at that session of the General Assembly. The amounts in that statement shall correspond to those previously recommended by the Fifth Committee upon its consideration of individual statements and revised estimates, as indicated in paragraph 13 above. Should the consolidated amount be within the available balance in the contingency fund, the Assembly shall proceed to appropriate the required amounts under the relevant section of the programme budget.

16. Should the consolidated amount exceed the balance available in the fund for that year, the Secretary-General shall, in his consolidated statement, make proposals for revising the amount within the balance of the fund remaining for the year. In so doing, the Secretary-General shall be guided by the indications of alternatives appended to each statement of programme budget implications and included in each proposal for revised estimates. The respective legislative bodies shall take action on such alternatives at the time they adopt the resolution or decision in question. The Secretary-General shall also take into account such indications of relative urgency as each legislative body may wish to make as between the resolutions and decisions of that body. Upon consideration of this statement, the General Assembly shall proceed to appropriate the funds necessary under the relevant section of the programme budget.