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BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1957

Draft Report of the Fifth Committee

Rapporteur: Mr. Francisco A. FORTEZA (Uruguay)

ADDENDUM

1. The present report deals with appropriations recommended for 1957, supplementing those approved by General Assembly resolution A/RES/443, adopted on 21 December 1956, as a result of decisions taken by or recommended to the General Assembly since that date.
2. During the period following the recess, the Fifth Committee considered several questions involving additional expenditures. Certain of these questions related to the financial implications of draft resolutions proposed by other Committees of the General Assembly. Further, the Fifth Committee took decisions involving expenditures on the report of the Salary Review Committee on the United Nations salary allowance and benefits system, and on the proposals of the Secretary-General regarding the modernization of the Palais des Nations. These decisions, and their effect on the 1957 appropriations, are indicated, by the sections of the budget in the following paragraphs.

Section 1 - The General Assembly; Commissions and Committees

3. At its 569th meeting, the Fifth Committee considered the financial implications, of the draft resolution (A/C.6/L.394) proposed by the Sixth Committee regarding a special allowance to be paid to the members of the International Law Commission. The report of the Fifth Committee on this item to the General Assembly is contained in document A/3539. The adoption by the General Assembly of the draft resolution proposed by the Sixth Committee involves additional requirements of \$22,050 for Section 1 for 1957.

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4. At its 588th meeting, the Fifth Committee considered the financial implications of the draft resolution I (A/3520) proposed by the Sixth Committee regarding a conference of plenipotentiaries on the law of the sea. The report of the Fifth Committee to the General Assembly on this item is contained in document A/3543. The adoption by the General Assembly of the draft resolution proposed by the Sixth Committee involves additional requirements of \$50,000 for Section 1 for 1957.

5. Accordingly, the appropriation of \$556,850 under Section 1 for 1957 approved by the General Assembly (A/RES/442) should be increased by \$72,050 to \$628,900.

Section 5 - Special Missions and related activities

6. At its 570th meeting, the Fifth Committee considered the financial implications of the draft resolution (A/3449/Add.1) proposed by the Fourth Committee regarding the future of Togoland under French administration. The report of the Fifth Committee to the General Assembly on this item is contained in document A/3507. The adoption of the General Assembly of the draft resolution proposed by the Fourth Committee involves additional expenditures of \$67,000, the \$60,000 estimated by the Fifth Committee having been increased by \$7,000 as the result of the decision of the General Assembly to increase the number of members of the Commission involved from 5 to 6.

7. Accordingly, the appropriation of \$1,785,000 under Section 5 for 1957 approved by the General Assembly (A/RES/442) should be increased by \$67,000 to \$1,852,000.

Section 18 - United Nations Office at Geneva - Modernization of the Palais des Nations

8. In a report submitted during the first part of the current session (A/C.5/659), the Secretary-General submitted a comprehensive plan for the modernization of the Palais des Nations for the consideration of the General Assembly. Based on an eight-year programme, the annual cost of the modernization would average about \$160,000 and the Secretary-General submitted revised estimates under section 18 for 1957 for such an amount, giving details of the work that would be carried out in that year.

9. In its report (A/3379) on this proposal, the Advisory Committee noted that an assessment of the intrinsic merits of the particular projects would call for technical competence in matters outside its terms of reference. It had, however,

studied the relative importance and urgency of component projects and the programme as a whole in relation to other budgetary demands of the United Nations. In the light of the considerations contained in its report, the Advisory Committee suggested that the Fifth Committee complete its consideration of the 1957 estimates and the 1956 supplementary estimates prior to considering this question, and then, in the light of the provisional assessment figure thus reached, (a) decide on the programme as a whole; (b) if in favour of the programme, decide on the appropriate term of years for its completion, and thereby determine the cost arising in 1957; and (c) decide whether any further addition is warranted to the amount assessable in 1957 on Member States. The Advisory Committee further suggested that the situation with regard to the 1957 assessments might lead the General Assembly to make an initial appropriation for 1957 of either \$160,000 (covering the projects proposed in A/C.5/659) or \$240,000 (based on a five-year programme) and defer the consideration of the remainder of the over-all plan to the twelfth session or to approve the programme as a whole at a given approximate figure but, as regards the method of financing, to explore the possibility of obtaining a loan from a source external to the United Nations.

10. In the course of the first reading of the estimates for section 18 the Fifth Committee decided to postpone its action on this question until it had completed its first reading consideration of the 1957 estimates. During the discussion, the Fifth Committee was informed by the representative of the Secretary-General that inquiries which had been made had indicated that outside financing might be a possibility.

11. At its 589th meeting held on 14 February 1957, the Fifth Committee considered a further report by the Secretary-General (A/C.5/659/Add.1) in which he indicated that the Swiss Federal Council had offered, subject to approval by the Swiss Parliament, to lend to the United Nations, free of interest, up to a maximum of 4,000,000 Swiss francs to finance the programme of modernization of the Palais des Nations. The loan would be reimbursed by the United Nations in annual instalments, the first of which would be paid not later than 1960 and the last not later than 1966. In this connexion, the Secretary-General had received a letter from the Permanent Observer of Switzerland to the United Nations which he had annexed to his report.

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12. The Secretary-General drew attention to the advantages of financing the modernization programme through the assistance afforded by the Swiss offer. It would permit an orderly execution of the programme, which he estimated could be completed, allowing for the necessary interruptions in the work to accommodate the Geneva conference programme, in 1960. At the same time the cost of the programme to the Member States could be spread over a longer period. The Secretary-General maintained his previous estimate of \$1,211,000 for the total cost of the modernization programme to be carried out, and suggested that the cost might spread over 10 years beginning in 1957. Payments on the Swiss loan would not begin until 1960; the difference between the total cost of the programme and the amount of the Swiss loan would be financed from the annual budget provisions prior to 1960.

13. In its report on the new proposals of the Secretary-General (A/3379/Add.1), the Advisory Committee concurred in those proposals and recommended that the General Assembly

- (a) approve the programme of modernization of the Palais des Nations as submitted by the Secretary-General (A/C.5/L.659);
- (b) authorize acceptance of the offer of the Swiss Federal Council of a loan of 4,000,000 Swiss francs;
- (c) Grant authority to proceed with the execution of the programme; and
- (d) increase by \$121,000 the 1957 appropriation for section 18.

The Advisory Committee also drew attention to the fact that the budget estimates for each year through 1966 would include an amount of \$121,000 for the programme of modernization.

14. The Fifth Committee considered the reports of the Secretary-General and the Advisory Committee at its 589th meeting and noted with appreciation, the generous offer of the Swiss Federal Council. The representative of the Union of Soviet Socialist Republics suggested that as the 1957 budget already amounted to over \$50 million, and as the matter did not appear to be so urgent, the question should be held over until the twelfth session. Other delegations felt that the work on modernizing the Palais should begin as soon as possible, and did not believe that the increase in the 1957 budget of \$121,000 was so large as to cause the consideration to be postponed.

15. The Fifth Committee approved, by 45 votes to 5 with 2 abstentions, the recommendations of the Advisory Committee (para. 13 above). Accordingly, the appropriation of \$5,055,300 under section 18 for 1957 approved by the General Assembly (A/RES/442) should be increased by \$121,000 to \$5,176,300. Further, as a result of its consideration of this question, the Fifth Committee recommends to the General Assembly the adoption of the draft resolution set out in Annex B to the present report.

Section 34 - Salaries, allowances and benefits

16. The decisions of the Fifth Committee on the report of the Salary Review Committee relating to the United Nations salary, allowance and benefits system are set forth in document A/3558. The financial implications of these decisions are estimated at \$1,748,000. In his report on the supplementary appropriations for 1957 (A/C.5/704 and Add.1) the Secretary-General proposed that provision for these additional requirements be made under a new section 34 of the 1957 budget and that he be authorized to transfer from that section to other sections of the budget affected by the decisions on the salary system.

Consideration of revised estimates

17. At its 595th meeting, the Fifth Committee considered a report of the Secretary-General (A/C.5/L.704 and Add.1) in which he summarized the additional items that had been approved totalling \$2,008,050. He also presented a draft resolution (A/C.5/704/Add.1) amending A/RES/442 to provide the additional appropriations required.

18. The Committee also had before it an amendment to the draft resolution (A/C.5/704/Add.1) submitted by Belgium, France, Italy, the Union of Soviet Socialist Republics and the United Kingdom (A/C.5/452/Rev.1). Under the amendment submitted, the General Assembly, having approved programmes or activities involving expenditures in the amount of \$2,008,050 additional to the appropriations previously approved (A/RES/442), recognizing that the financial burden to be assumed by Member States in 1957 is especially high, would

- (a) decide that savings in the amount of \$500,000 should be effected in the 1957 regular budget, the distribution of such savings to be arranged by the Secretary-General in consultation with the Advisory Committee;

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- (b) appropriate an additional amount of \$1,508,050 to meet the supplementary expenses not covered by those savings;
- (c) authorize the Secretary-General to make transfers between sections of the budget in respect of those savings.

19. The sponsors of the amendment, expressed their concern at the size of the budget for 1957. Not only did the regular budget show a substantial increase over the original budget approved for 1956, and over the original estimates for 1957, but the Member States were being called upon to assume other financial burdens in 1957 for United Nations activities. It was their opinion that the saving of \$500,000 they proposed could be achieved by the Secretary-General without endangering the basic programmes provided for under the 1957 regular budget and without prejudice to the staff. The trend towards increased budgets was a dangerous one, and, in their opinion, the Member States should take all reasonable steps to minimize those dangers. Further, they felt that the Secretary-General would wish to assist the Member States to this end. The savings of \$500,000 proposed represented less than one per cent of the budget, and it should be possible for the Secretary-General, through careful management to meet this modest request, which, they emphasized, would not endanger the work of the Organization. The fact that the savings would be determined by the Secretary-General after consultation with the Advisory Committee was an additional safeguard. Those delegations realized that the measure proposed - a global reduction - was an unusual one, but they felt the circumstances warranted exceptional measures.

20. Delegations opposed to the amendment stated that the Fifth Committee had made a careful and detailed review of the 1957 estimates and had recommended appropriations for the various programmes and activities to which those estimates related. They did not believe it would be proper for the Committee to reverse its decisions. Several delegations, including some who had been opposed to the decisions of the Committee on certain items of expenditure, re-stated their support for the fullest possible measures of economy, but considered that the imposition of a global reduction was an unwise budget practice. If reductions were to be made, it was the duty of the Fifth Committee to specify where they should be applied and to direct the Secretary-General accordingly. Some of these delegations could not support an attempt to reduce the budget after it had been adopted and was in course of execution. It was further argued that the increase over 1956 in the 1957 regular budget was not of such a nature that could justifiably be described as serious, nor could the total expenditure involved represent an undue burden to be

borne in pursuit of the objectives of the Organization by the present large number of Member States.

21. A number of delegations, while they could not support the amendment proposed, nevertheless indicated their concern at the heavy demands with which the Member States were faced, and the representative of Canada proposed that the desire of Member States for the maximum possible savings might be expressed without indicating specifically the amount of such savings. Such an expression would emphasize that the General Assembly had had in mind the seriousness of the demands made on Member States in financing the budget. He proposed the text of a paragraph to be included in the draft resolution on the supplementary appropriations which would request the Secretary-General to reflect maximum savings in the 1957 regular budget.

22. Some delegations indicated their support for the text suggested by the representative of Canada. While it was the responsibility of the Secretary-General to achieve all savings possible, the inclusion of the request to do so in the draft resolution would reflect the concern of the General Assembly to achieve economy. Other delegations felt it was unnecessary to include such a clause in the draft resolution as they were confident that the Secretary-General would achieve such savings as were possible without such a provision. In any event the report of the Fifth Committee would reflect the concern that had been expressed by certain Member States and the hope that savings would be effected. In the opinion of certain of these delegations the inclusion of a special provision in the draft resolution that savings should be effected would have an obligatory connotation which would not be consistent with the fact that the Fifth Committee had itself approved the expenditures for which provision had been included in the estimates. In the light of the discussion, the representative of Canada stated that he would not insist on a vote on his proposal.

23. During the discussion of the Canadian proposal, the representative of the Secretary-General informed the Committee that after including the supplementary appropriations of \$2,008,050, the total assessment on Member States for the 1957 regular budget would still be lower than that for 1956. He recognized, however, the additional burdens on Member States outside of the regular budget, and assured the Committee that the Secretary-General would continue to attempt to achieve any savings possible.

24. The Committee rejected by 40 votes to 14, with 5 abstentions the five-Power amendment (A/C.5/L.452/Rev.1). It then approved by 45 votes to 11, with 2 abstentions, the draft resolution presented by the Secretary-General (A/C.5/704/Add.1). Accordingly, the Fifth Committee recommends to the General Assembly the adoption of the draft resolution set out in annex A to the present report.

The United Nations International School

25. At its 592nd meeting, the Fifth Committee considered a report by the Secretary-General on the United Nations International School (A/C.5/703). In his report, the Secretary-General reviewed the development and the objectives of the School. He informed the Committee that the current financial situation of the School had become more secure, although the problem of losses occurring through transfers and mission assignments of the parents of the students created a problem in this regard. Nevertheless, the Trustees of the School were confident that the School would continue to show financial stability and be in a position to liquidate its deficits from the years prior to 1955/56.

26. The major problem for the School, the Secretary-General reported, was how to provide for its orderly growth in a convenient location and with suitable facilities. Accordingly, intensive efforts had been made to find premises near the United Nations Headquarters site suitable for a school. After considering many possibilities, the Board of Trustees of the School had concluded that the only logical and desirable place for the School would be on the Headquarters site. It had, consequently, submitted proposals to the Secretary-General to that effect. The Trustees were confident that if authorization to build were given, the necessary support, financial as well as in material and services, would be forthcoming from voluntary sources. The Secretary-General stated that he wished to study in detail the suggestion of the Trustees and would submit, prior to the opening of the twelfth session of the General Assembly, a report on those or related proposals.

27. The Fifth Committee also had before it a draft resolution submitted by India, Peru and Uruguay (A/C.5/L.451) under which the General Assembly would endorse the view that suitable buildings in a convenient location were urgently needed by the School, and request the Secretary-General to submit the report to which he had referred. In introducing this draft resolution, the sponsors emphasized the

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importance generally attached to the International School. In their opinion, the School was one of the important non-financial factors in the recruitment and retention of an international staff and they welcomed the efforts of the Board of Trustees to provide for its improvement and growth. They believed that the General Assembly should make clear its continuing interest and support of the School. The location of the School on the Headquarters site might provide a desirable solution, but since the Secretary-General and the Board of Trustees had this matter under study, the first operative paragraph of the draft resolution was without prejudice to a final decision on the matter.

28. The Chairman of the Board of Trustees gave additional information to the Committee on the problems facing the School and the suggestions of the Board of Trustees for their solution. He assured the Committee that the plans envisaging a building on the Headquarters site had taken into account the necessity of an architectural design in harmony with the other buildings, and of ensuring that the work of the Organization would in no way be hampered.

29. A number of delegations also referred to the importance of the International school and believed that its growth and development should be fostered; they supported the view that the General Assembly should give an indication of its continuing support.

30. The sponsors of the draft resolution accepted a suggestion by the representative of the United States that the word "accommodations" be substituted for the word "buildings" in the first operative paragraph of the resolution. The draft resolution, as amended, was unanimously adopted. Accordingly, the Fifth Committee recommends to the General Assembly the adoption of the draft resolution set forth in annex C to the present report.

ANNEX A

DRAFT APPROPRIATION RESOLUTION

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1957

The General Assembly,

Decides to amend its resolution A/RES/442 of 21 December 1956 to provide that for the financial year 1957:

1. The amount of \$US 48,807,650 appropriated by resolution A/RES/442 is increased by \$US 2,008,050 under the following budget sections:

<u>Section</u>	<u>Amount Appropriated</u> <u>under Resolution</u> <u>A/RES/442</u> (In US dollars)	<u>Supplementary</u> <u>Appropriation</u> <u>Increase</u> (In US dollars)	<u>Revised</u> <u>Amounts of</u> <u>Appropriation</u> (In US dollars)
1. The General Assembly, Commissions and Committees	556,850	72,050	628,900
5. Special missions and related activities	1,785,000	67,000	1,852,000
18. United Nations Office at Geneva	5,055,300	121,000	5,176,300
34. Salaries, allowances and benefits	-	1,748,000	1,748,000
All other sections	<u>41,410,500</u>	<u>-</u>	<u>41,410,500</u>
	48,807,650	2,008,050	50,815,700

2. The Secretary-General is authorized to transfer credits from Section 34 to other sections of the budget without restriction.

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ANNEX B

DRAFT RESOLUTION

MODERNIZATION OF THE PALAIS DES NATIONS

The General Assembly,

Having considered the reports of the Secretary-General (A/C.5/659 and Add.1) and of the Advisory Committee on Administrative and Budgetary Questions (A/3379 and Add.1) on the modernization of the Palais des Nations,

Having been informed of the offer of the Swiss Federal Council, subject to approval by the Swiss Parliament, to lend the United Nations, free of interest, up to a maximum of 4 million Swiss francs to finance the programme of modernization as outlined in the reports of the Secretary-General,

1. Expresses its appreciation of the generous offer of the Swiss Federal Council;

2. Approves the programme of modernization of the Palais des Nations as set out in the report of the Secretary-General (A/C.5/659);

3. Authorizes the Secretary-General to accept the offer of the Swiss Federal Council of a loan of 4 million Swiss francs;

4. Authorizes the Secretary-General to proceed with the execution of the programme;

5. Instructs the Secretary-General to include in his budget estimates for the year 1957 to 1966 provision for ten equal instalments of \$121,000 per annum to finance the programme of modernization and repay the loan.

ANNEX C

DRAFT RESOLUTION

UNITED NATIONS INTERNATIONAL SCHOOL

The General Assembly,

Having considered the Secretary-General's report on the United Nations International School;

Noting with satisfaction the improvement in the situation of the School, whereby it is not in need of budgetary assistance from the United Nations this year; and

Recognizing the continued functioning of the United Nations International School as one of the important non-financial factors contributing to the recruitment and retention of international staff;

1. Endorses the view that suitable accommodations in a convenient location are urgently needed by the United Nations International School; and

2. Requests the Secretary-General to present his proposed study of the suggestions of the Board of Trustees of the School to the twelfth session of the General Assembly.
