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SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1961

Report of the Fifth Committee

Rapporteur: Mr. Antonio ARRAIZ (Venezuela)

1. The Fifth Committee examined the supplementary estimates for 1961 at the 848th, 893rd and 900th meetings, on the basis of a series of reports of the Secretary-General (A/4870 and Add.1; A/C.5/872, 898, 906)^{1/} and of the Advisory Committee on Administrative and Budgetary Questions (A/4902, A/4909, A/4995, A/5024).^{1/}
2. The following table shows the total supplementary estimates, under the expenditure and income headings.

^{1/} In addition, a number of reports, submitted under other agenda items but having a bearing on the 1961 estimates, are cited in subsequent paragraphs of the present report, together with a reference to the meeting at which each was considered.

	Secretary- General's proposals	Advisory Committee's recommendations	Fifth Committee's recommendations to the General Assembly
<u>United States dollars</u>			
Supplementary estimates (A/4870 and Add.1, A/4902, A/4909, A/4995, A/5024; A/C.5/782, A/C.5/898, A/C.5/906)	1,124,575	1,105,000	1,105,000
<u>Deduct:</u>			
Unspent 1961 balances re-appropriated for 1962 (A/4870/Add.1, para. 6 (e) and (f)):			
Section 12, chapter II \$ 20,000			
Sections 13, 14, 16 <u>2,405,000</u>	(2,425,000)	(2,425,000)	(2,425,000)
1961 appropriation (General Assembly resolution 1584 A (XV))			<u>72,969,300</u>
Revised appropriation			<u>71,649,300</u>
<u>INCOME^{a/}</u>			
<u>Income from staff assessment:</u>			
Approved estimate (General Assembly resolution 1584 B (XV))			6,730,000
Estimated increase (A/4870/Add.1, para. 8)			<u>200,000</u>
Revised estimate for 1961			<u>6,930,000</u>
<u>Other income:</u>			
Approved estimate (General Assembly resolution 1584 B (XV))			5,531,530
Estimated increase (A/4870/Add.1, para. 8)			<u>304,040</u>
Revised estimate for 1961			<u>5,835,570</u>

a/ The revised income estimates recommended by the Secretary-General and the Advisory Committee were identical in amount with those recommended by the Fifth Committee.

I

3. The Secretary-General's estimate of \$773,575 for additional budgetary requirements in 1961, as contained in document A/4870, was made up of the following items:

	<u>United States dollars</u>	
(a) Unforeseen and extraordinary expenses authorized under the terms of General Assembly resolution 1585 (XV):		
(i) Under paragraph 1 of the resolution with the concurrence of the Advisory Committee	174,390	
(ii) Under paragraph 1 (a) of the resolution, under the Secretary-General's certification ..	276,800	
(iii) Under paragraph 1 (b) of the resolution, under certification of the President of the International Court of Justice	<u>44,650</u>	495,840
(b) Expenses connected with the application of the Staff Rules and Regulations		117,450
(c) Additional requirements (excluding (b) above) for items already included in the appropriations	964,500	
<u>Less</u> decreases on certain services and activities .	<u>804,215</u>	<u>160,285</u>
	Total	<u>773,575</u>

4. In recommending that the supplementary estimate of \$773,575, as proposed by the Secretary-General, should be reduced by \$19,575 to the figure of \$754,000, the Advisory Committee offered the following among other observations (A/4902, para.10):

"While present indications are that the total supplementary appropriations for 1961 will not be as high as in some of the preceding years,^{2/} the Advisory Committee would observe that it has always favoured a strict budgetary approach

^{2/} 1958: \$6,059,050 (including \$3,600,000 for the United Nations Observation Group in Lebanon);
1959: \$854,900;
1960: \$2,585,200.

to expenditures of this description. In essence, the Committee feels that the level of the appropriation under any one section should not be exceeded unless there are compelling and unavoidable reasons for doing so and only on the basis of full explanation and justification. By the same token, expenditures over and above the levels originally envisaged for specific purposes within any one section should be avoided, as far as possible. The nature of the Organization admittedly precludes a completely rigid limitation in this regard, in view of the fact, particularly, that its activity is subject in many respects to the pressure of events. Whenever such unforeseen requirements arise, however, budgetary discipline would call for the largest possible measure of compensation by the application of priorities to, and the achievement of actual savings under, other parts of the sections involved."

5. A number of representatives recognized that, in an organization such as the United Nations, requests for supplementary provision could not be precluded. It was therefore gratifying that, as was evident from the figures submitted, the Secretary-General had striven to carry out the repeated recommendations of the Fifth Committee. The total sum requested was the lowest in many years; in particular, it fell far short of the heavy demands that had been made in 1958 and 1960. Member States were naturally disturbed by the critical financial predicament of the Organization and anxious to see the supplementary requirements reduced to an absolute minimum or even eliminated entirely. The fact remained, however, that an appreciable proportion of the total figure consisted of unforeseen expenditure and of statutory expenditure resulting from the application of the Staff Regulations. In addition, heavy additional expenses over which the Secretary-General could exercise only a very limited control had arisen in connexion with the conference programme, which had included the resumed and special sessions of the General Assembly and an increased number of Security Council meetings. Accordingly, these delegations, while concurring in the recommendations of the Advisory Committee and in the modest reduction which it had proposed, felt that, subject thereto, the Secretary-General's report could readily be approved.

6. A contrary position was taken by some delegations. In spite of the fact that the Fifth Committee for long had insisted that the budget appropriations should

not be exceeded, every year, without exception, supplementary requests were submitted in which it could be seen that the savings on some items within the budget were invariably far exceeded by the overspending on other activities and services. That situation demonstrated that the Secretariat paid little regard to the budget document as a basic instrument containing provisions intended to be binding; thus, the appropriation on the resumed General Assembly session had been exceeded by 100 per cent, a fact that pointed to a lack of discipline and an indifference to methodical planning. Furthermore, the Secretary-General's proposal included items that were wholly unnecessary or gave rise to serious objections, among which these delegations cited the United Nations Representative for India and Pakistan, the Commission for the Unification and Rehabilitation of Korea, and the Representative on Hungary. Inasmuch as the 1961 budget had been the largest in the history of the United Nations, it was reasonable to expect that all unforeseen expenditure would have been met within the total figure approved in December 1960.

7. The representative of the Secretary-General pointed out that a substantial part of the supplementary requirements arose from the fact that the conference programme at Headquarters and Geneva had been exceptionally heavy in 1961. The amount of \$300,000 appropriated for the resumed fifteenth session of the General Assembly had contained no provision for additional costs under section 10 (General expenses) and the session had, moreover, exceeded the estimated duration by one and a half weeks. The resumed and special sessions of the General Assembly and the increase in the number of Security Council meetings accounted for \$582,000 out of the total supplementary provision. It was also to be noted that the expanding programmes of the regional economic commissions and the opening of new information centres accounted for an increase of some \$130,000 under section 10; and that a sum of \$64,000 to finance revenue-producing programmes of the Office of Public Information was balanced by a corresponding increase in miscellaneous income. He added that the global reduction of \$19,575 recommended by the Advisory Committee would not be contested.

Decision of the Fifth Committee

8. At its 848th meeting, the Committee voted on the revised estimates proposed by the Secretary-General (A/4870) for those sections where the revised estimates differed from the original appropriations. The result of the voting was as follows:

<u>Appropriation section</u>	<u>Amount United States dollars</u>	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
2	547,400		Unanimous	
3	35,887,600	67	10	0
5	2,024,000		Unanimous	
8	410,000		Unanimous	
9	3,327,750		Unanimous	
10	3,816,000	68	10	0
11	1,210,750		Unanimous	
18	2,888,750	69	10	2
19	1,224,000	68	0	10
20	2,260,000		Unanimous	
21	781,600		Unanimous	
Global reduction recommended by the Advisory Committee	19,575		Unanimous	

9. In connexion with section 18 (Special missions), the Committee took separate votes on two items within the section. The amount of \$161,000 for the United Nations Commission for the Unification and Rehabilitation of Korea was approved by 62 votes to 10, with 9 abstentions. The amount of \$13,000 for the United Nations Representative on Hungary was approved by 51 votes to 12, with 17 abstentions.

10. The Committee voted on the revised estimates for the income sections, as recommended by the Advisory Committee (A/4902, paras. 8 and 14), where those estimates differed from the estimates originally approved. The result of the voting was as follows:

<u>Income section</u>	<u>Amount United States dollars</u>	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
2	1,852,770		Unanimous	
4	1,135,000		Unanimous	
5	377,900		Unanimous	
6	774,800		Unanimous	

Post classification: Headquarters, New York

11. At its 848th meeting, the Committee considered the question of the post classification for New York, within the established post adjustment system, on the basis of reports of the Secretary-General (A/C.5/872) and of the Advisory Committee on Administrative and Budgetary Questions (A/4909).

12. The Secretary-General recommended (A/C.5/872, para. 6) that in accordance with the findings of the Expert Committee on Post Adjustments (A/4823/Add.2), the post classification for Headquarters, New York, should be changed from class 7 to class 8, with effect from 1 March 1961. For reasons set out in its report (A/4909, paras. 8 and 9), the Advisory Committee, while concurring in the proposed change from class 7 to class 8, recommended that the effective date should be 1 June 1961. The financial implications of the two recommendations were estimated respectively at \$230,000 and \$161,000.

Decision of the Fifth Committee

13. The Advisory Committee's recommendation that the post adjustment for Headquarters, New York, should be changed from class 7 to class 8, with effect from 1 June 1961, was approved by 68 votes to none, with 11 abstentions.

14. The Committee also took note of a statement by the Secretary-General's representative that the Secretariat intended to apply the Committee's decision to eligible staff members who were employed by the United Nations on the date of that decision, 4 October 1961.

II

15. At the 893rd meeting, the Committee unanimously approved the recommendation of the Advisory Committee (A/4995, para. 3) for an additional appropriation of \$30,000 for 1961, as proposed by the Secretary-General (A/C.5/898, para. 3),^{3/} in respect of the travel of representatives - in terms of General Assembly resolution 1075 (XI) of 7 December 1956 - resulting from the admission or anticipated admission of new Members of the United Nations and the resumption of membership by Syria.

^{3/} The Committee's approval covered a like amount recommended for appropriation in respect of 1962.

III

16. At the 900th meeting, the Committee had before it a report of the Secretary-General (A/4870/Add.1), together with a report of the Advisory Committee (A/5024) presented orally by the Chairman of that Committee, on the subject of the supplementary estimates for 1961.

Decision of the Fifth Committee

17. By 54 votes to none, with 9 abstentions, the Committee approved the draft resolution attached as an annex to the Secretary-General's report A/4870/Add.1.^{4/}

Recommendation of the Fifth Committee

18. The Fifth Committee therefore recommends to the General Assembly the adoption of the following draft resolution:

SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1961

The General Assembly

1. Resolves that for the financial year 1961 the amount of \$US72,969,300 appropriated by its resolution 1584 A (XV) of 20 December 1960 is decreased by \$US1,320,000 as follows:

<u>Section</u>	Amount appropriated by resolution 1584 A (XV)	Supplementary appropriation	Revised amount of appropriation
(In US dollars)			
A. UNITED NATIONS			
<u>Part I. Sessions of the General Assembly, the councils, commissions and committees; special meetings and conferences</u>			
1. Travel and other expenses of representatives, members of commissions, committees and other subsidiary bodies	1,090,350	30,000	1,120,350
2. Special meetings and conferences	<u>255,600</u>	<u>451,800</u>	<u>707,400</u>
TOTAL, PART I	<u>1,345,950</u>	<u>481,800</u>	<u>1,827,750</u>

^{4/} For the details set forth in the Secretary-General's report, see the annex attached to the present report.

Section	Amount appropriated by resolution 1584 A (XV)	Supplementary appropriation	Revised amount of appropriation
(In US dollars)			
<u>Part II. Staff costs and related expenses</u>			
3. Salaries and wages	35,702,600	286,025	35,988,625
4. Common staff costs	8,213,300	-	8,213,300
5. Travel of staff	2,034,000	(10,000)	2,024,000
6. Payment under annex I, paragraphs 2 and 3, of the Staff Regulations; hospitality	<u>100,000</u>	<u>-</u>	<u>100,000</u>
TOTAL, PART II	<u>46,049,900</u>	<u>276,025</u>	<u>46,325,925</u>
<u>Part III. Buildings, equipment and common services</u>			
7. Buildings and improvements to premises	3,872,375	-	3,872,375
8. Permanent equipment	400,000	10,000	410,000
9. Maintenance, operation and rental of premises	3,279,050	48,700	3,327,750
10. General expenses	3,469,750	339,250	3,809,000
11. Printing	<u>1,260,750</u>	<u>(50,000)</u>	<u>1,210,750</u>
TOTAL, PART III	<u>12,281,925</u>	<u>347,950</u>	<u>12,629,875</u>
<u>Part IV. Special expenses</u>			
12. Special expenses	<u>134,000</u>	<u>65,000</u>	<u>199,000</u>
TOTAL, PART IV	<u>134,000</u>	<u>65,000</u>	<u>199,000</u>

	Amount appropriated by resolution 1584 A (XV)	Supplementary appropriation	Revised amount of appropriation
<u>Section</u>	(In US dollars)		
<u>Part V. Technical programmes</u>			
13. Economic development	1,970,000	(845,000)	1,125,000
14. Social activities	1,960,000	(585,000)	1,375,000
15. Human rights activities	100,000	-	100,000
16. Public administration	1,850,000	(975,000)	875,000
17. Narcotic drugs control	<u>75,000</u>	<u>-</u>	<u>75,000</u>
TOTAL, PART V	<u>5,955,000</u>	<u>(2,405,000)</u>	<u>3,550,000</u>
<u>Part VI. Special missions and related activities</u>			
18. Special missions	2,848,750	-	2,848,750
19. United Nations Field Service	<u>1,295,800</u>	<u>(71,800)</u>	<u>1,224,000</u>
TOTAL, PART VI	<u>4,144,550</u>	<u>(71,800)</u>	<u>4,072,750</u>
<u>Part VII. Office of the United Nations High Commissioner for Refugees</u>			
20. Office of the United Nations High Commissioner for Refugees	<u>2,302,275</u>	<u>(39,875)</u>	<u>2,262,400</u>
TOTAL, PART VII	<u>2,302,275</u>	<u>(39,875)</u>	<u>2,262,400</u>
<u>Part VIII. International Court of Justice</u>			
21. International Court of Justice	<u>755,700</u>	<u>25,900</u>	<u>781,600</u>
TOTAL, PART VIII	<u>755,700</u>	<u>25,900</u>	<u>781,600</u>
GRAND TOTAL	<u>72,969,300</u>	<u>(1,320,000)</u>	<u>71,649,300</u>

2. Resolves that the unexpended balance of the 1961 appropriation of \$382,500 in respect of the United Nations building in Santiago, Chile (section 7, chapter III), together with the unexpended balance of the 1960 appropriation for this purpose which remained available for obligation in 1961 under paragraph 2 of General Assembly resolution 1581 (XV) of 20 December 1960, shall be transferred on 31 December 1961 to a building fund account to meet future expenditures as authorized under General Assembly resolution 1407 (XIV) of 1 December 1959;

3. Further resolves that the estimates of income for the financial year 1961 approved by its resolution 1584 B (XV) of 20 December 1960 are revised as follows:

	Estimate approved by resolution 1584 B (XV)	Increase or (decrease)	Revised estimate
(In US dollars)			
<u>Section</u>			
<u>Part I. Income from staff assessment</u>			
1. Staff assessment income	6,730,000	200,000	6,930,000
<u>Part II. Other income</u>			
2. Funds provided from extra- budgetary accounts	1,879,880	(27,110)	1,852,770
3. General income	1,595,100	-	1,595,100
4. Sale of United Nations postage stamps	1,066,500	168,500	1,235,000
5. Sale of publications	358,750	19,150	377,900
6. Services to visitors and catering services	<u>631,300</u>	<u>143,500</u>	<u>774,800</u>
GRAND TOTAL	12,261,530	504,040	12,765,570

ANNEX

1. On consideration of the main body of the supplementary estimates for 1961 (A/4870 and A/4902), the Fifth Committee, at its 848th meeting, approved the following supplementary requirements, as recommended by the Advisory Committee:

	\$
(a) Main body of the supplementary estimates	754,000
(b) Post adjustment at Headquarters, New York - change from class 7 to class 8	161,000
	915,000

2. Further supplementary estimates for 1961 were submitted to, and approved by, the Fifth Committee, as follows:

<u>Meeting of Fifth Committee</u>	<u>Agenda item</u>	<u>Subject matter</u>	\$
855th	54	Conference on the Application of Science and Technology	135,000
893rd	53,54	Travel of representatives	30,000
900th	53	Conference on the Discontinuance of Nuclear Weapons Tests	25,000
			190,000 ^{a/}

3. At the 900th meeting, the Fifth Committee re-appropriated for 1962 the following unspent balances of 1961, thereby reducing the 1961 appropriations:

	\$
Section 12, chapter II	20,000
Sections 13, 14, 16	2,405,000

^{a/} Total exclusive of supplementary requirements that are offset by savings on the 1961 appropriations - see A/4870/Add.1, para. 6 (a) to (d).