



Eleventh session  
Agenda item 45

## REPORT OF THE NEGOTIATING COMMITTEE FOR EXTRA-BUDGETARY FUNDS

Report of the Fifth Committee

Rapporteur: Mr. Francisco A. FORTEZA (Uruguay)

1. The General Assembly, at its 587th plenary meeting held on 15 November 1956, decided to refer the report of the Negotiating Committee for Extra-Budgetary Funds (A/3194) to the Fifth Committee. The Committee considered this report at its 565th, 570th, 571st and 572nd meetings held on 17, 24, 25 and 26 January 1957, respectively.

2. The Chairman of the Negotiating Committee for Extra-Budgetary Funds, in introducing the Committee's report at the 565th meeting, drew attention to a statement annexed to the document which set forth the contributions pledged as at 15 September 1956, and reviewed the results of the work which the Negotiating Committee had carried out since that date.

He indicated that contributions to the United Nations Children's Fund (UNICEF) for 1956 totalled \$17.4 million and pledges for 1957 amounted to \$11.4 million.

In the case of the United Nations Refugee Fund (UNREF), the contributions pledged in December 1956 at the general meeting of the Negotiating Committee amounted to about \$700,000. He emphasized that, without including any estimates of funds required for assistance to Hungarian refugees, more than \$5 million would still be required to reach the combined target for UNREF for 1956 and 1957.

As regards the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), he further reported that at a meeting with Government representatives, convened to consider the financial situation of the Agency, the Director of UNRWA had stressed that unless Governments contributed enough funds to finance the budget for the eighteen-months period, July 1956 to December 1957, the Agency would gradually have to liquidate its operations.

3. Commenting on the shortfall of contributions to UNREF and UNRWA, the Chairman of the Negotiating Committee emphasized that that Committee was not only concerned about the UNREF and UNRWA programmes, but also that, as it had noted in previous years, the prestige of the United Nations might suffer if Member States failed to finance the programmes they had approved. The Negotiating Committee had, therefore, recommended that the General Assembly should resume responsibility for raising funds for voluntary programmes by setting up an ad hoc committee to that end. Such a body, in the opinion of the Committee, would receive some publicity which would help to increase contributions; and it would also enable the General Assembly to consider the programmes concerned with a more realistic indication of the funds that would be forthcoming to finance them.
4. The Executive Board of UNICEF had expressed the view that a change in the present fund-raising methods would not serve the best interests of the UNICEF programme (E/ICEF/330, paras. 109 to 123). However, the Chairman of the Negotiating Committee reported that, in the opinion of that Committee, a new method was required which would improve the financial position of all the programmes dependent upon voluntary contributions, as it would be difficult to find Member Governments willing to serve on the Committee if the present unsatisfactory arrangements prevailed.
5. In addition to the Negotiating Committee's report, the Fifth Committee had before it a draft resolution in two parts sponsored by Argentina, Australia, Canada, Chile, Pakistan, the United Kingdom of Great Britain and Northern Ireland and the United States of America (A/C.5/L.433 and Add.1) embodying the general recommendations of the Negotiating Committee regarding the new pledging procedure. By part A of the draft resolution the General Assembly would establish, for its twelfth session, an ad hoc committee of the whole Assembly, under the chairmanship of the President of the session, at which pledges of contributions for all voluntary programmes for the following year would be announced. States not Members of the United Nations but members of one or more of the specialized agencies would be invited to announce their pledges before the ad hoc committee, which should meet as early as practicable following the opening of the twelfth session. By part B, the Assembly would request the President of the eleventh session to appoint a Negotiating Committee consisting of not more than ten members, with the same terms of references as its predecessor, to serve from the close of the eleventh session

to the close of the twelfth session. This provision followed the suggestion of the Negotiating Committee that, pending the establishment of the new procedure, continuity for fund-raising efforts should be provided.

6. During its first meeting on this item, the Fifth Committee adjourned the discussion to enable the Technical Assistance Committee to present its comments on the proposal of the Negotiating Committee.

7. When the discussion was resumed at the 570th meeting, the Fifth Committee had been notified that TAC considered that the fund-raising procedure recommended by the Negotiating Committee would not serve the best interests of the Expanded Programme for Technical Assistance which, in its opinion, would continue to be met by adhering to the existing procedure (A/C.5/694). The Chairman of TAC described the proceedings which led that Committee to reach this conclusion.

8. The discussion in the Fifth Committee of the report of the Negotiating Committee centered on the question of the new pledging procedure suggested by the latter Committee.

9. A number of delegations opposed the application of the new procedure to the Expanded Programme of Technical Assistance and to UNICEF. They pointed out that the present procedures followed for these two programmes had been relatively successful and they doubted the wisdom of requiring a change from those procedures to one which was untested. Furthermore, they emphasized that the governmental bodies most directly responsible for the programmes, the Technical Assistance Committee and the UNICEF Executive Board, had indicated a preference to continue present procedures. In the opinion of these delegations, the holding of one pledging conference for all programmes might well result in a smaller over-all total of contributions, and thus, while not assisting the two refugee programmes of which the financial situation was admittedly unsatisfactory, might at the same time prove to be disadvantageous to UNICEF and to the Expanded Programme. While they were sympathetic to the difficulties encountered in securing funds for the refugee programmes they did not feel that the programmes which received greater financial support should be endangered.

10. A number of delegations, in particular Brazil, paid tribute to the objective sought by the Negotiating Committee but felt that it had failed to consider that, while all four programmes relied on its assistance to foster voluntary contributions upon which they depended, in almost every other respect the technical assistance and UNICEF programmes differed from the two refugee programmes. They noted a close correlation between the activities of each programme and its comparable fund-raising ability. Not only did the ability to contribute on the

part of the under-developed countries increase through the successful endeavours of the Expanded Programme and UNICEF, but they also had a greater stimulus to contribute springing from the need to enlarge the total amount of the funds available to those programmes.

11. In the case of the two refugee programmes, it was observed that the total resources needed were smaller and that the number of persons in need of assistance was limited; yet the targets set for these programmes were higher than those for UNICEF and technical assistance of which the needs were limitless. The reason appeared to be that the targets for the refugee programmes had been set in terms of need, while those for technical assistance and UNICEF had been based on the estimated willingness of Governments to contribute

12. Other delegations, however, felt that it was important not to recognize the need of programmes by considering that some were of limited interest whereas others were of universal appeal, inasmuch as refugees were destitute people of concern to the whole world. They believed, as did the sponsors of the draft resolution, that the new procedure would provide for a discipline in the matter of contributions to voluntary programmes which they considered desirable and necessary. These delegations did not share the misgivings that the interests of UNICEF or the Expanded Programme would suffer from the proposed procedure and they emphasized their undiminished interest in and active support of those particular programmes. Furthermore, they pointed out that the proposed pledging conference could supplement present methods of fund-raising and would enable the agencies concerned to set their targets more realistically and with greater accuracy. But, in their opinion, the non-participation of any one agency in the proposed new arrangements would impair the effectiveness of a common procedure. They concluded that, in consequence, the new approach should at least be tried on an experimental basis and that the interests of the individual programmes could be further safeguarded by convening successive meetings to deal separately with pledges in respect of each of the four programmes.

13. The sponsors of the joint draft resolution presented a revised text (A/C.5/L.433/Rev.1) to provide that the pledges would be announced at successive meetings of the ad hoc committee with a separate meeting dedicated to each programme.

14. At the 571st meeting, Brazil, France, India and Yugoslavia submitted amendments (A/C.5/L.439) to part A of the revised joint draft resolution; these amendments,

following acceptance of certain drafting changes suggested by other delegations, were re-issued as document A/C.5/L.439/Rev.1. It was stated by the sponsors of the amendments that, in their opinion, it was necessary to have regard to the views of TAC and the UNICEF Executive Board. They feared that, if the new procedure were adopted, it would be almost impossible in practice for these two programmes to revert to their former methods of fund-raising. Since it was the two refugee programmes which were experiencing difficulties, these delegations felt the new procedure should apply to these programmes, leaving unchanged the procedures followed for UNICEF and the Expanded Programme.

15. The sponsors of the joint draft resolution indicated that while, in their opinion, the procedure which would result if the four-Power amendments were approved would represent an improvement on the present situation, it would be more desirable to follow the suggestion of the Negotiating Committee and adopt the new procedure for all the programmes.

16. At its 572nd meeting, the Fifth Committee approved the amendments to Part A of the joint draft resolution (A/C.5/L.439/Rev.1) by 32 votes to 19, with 4 abstentions, and part A, as amended, by 36 votes to none with 17 abstentions. Part B of the joint draft resolution (A/C.5/L.433/Rev.1) was adopted by 51 votes to none, with 7 abstentions.

17. Accordingly, the Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

REPORT OF THE NEGOTIATING COMMITTEE FOR EXTRA-BUDGETARY FUNDS

A

The General Assembly,

Having considered the report of the Negotiating Committee for Extra-Budgetary Funds appointed at the tenth session of the General Assembly, and the recommendation of the Negotiating Committee for a change in the method of securing pledges of contributions to the voluntary programmes,

Having been notified of the views of the Executive Board of the United Nations Children's Fund,<sup>1/</sup> and of those of the Technical Assistance Committee,<sup>2/</sup> that these two bodies favour the retention of their present fund-raising procedure,

1/ See document E/ICEF/330.

2/ See document A/C.5/694.

Recognizing the importance of determining the financial resources for activities and programmes to be financed by voluntary contributions before the reports on such activities and programmes are considered and acted upon by the General Assembly,

Recognizing further the need to change the existing procedure for obtaining financial support for those programmes of the United Nations financed by voluntary contributions for which those contributions fall considerably short of the financial targets set for them,

1. Decides

(a) In the case of the United Nations Children's Fund to retain the present year-round fund-raising procedure;

(b) In the case of the Expanded Programme of Technical Assistance, to retain the present system of a special pledging conference, to be held at the initiative of the Negotiating Committee;

(c) To convene, during the twelfth session of the General Assembly, an ad hoc committee of the whole Assembly, under the chairmanship of the President of the session, where pledges of voluntary contributions for the two refugee programmes for the following financial year would be announced, with separate meetings dedicated to each programme;

2. Decides further that States not Members of the United Nations, but members of one or more of the specialized agencies, shall be invited to attend meetings of the ad hoc committee for the purpose of announcing their pledges to the two refugee programmes.

B

The General Assembly,

1. Requests the President of the General Assembly to appoint a Negotiating Committee for Extra-Budgetary Funds, consisting of not more than ten members, with the same terms of reference as laid down in General Assembly resolution 693 (VIII) of 25 October 1952, to serve from the close of the eleventh session to the close of the twelfth session of the General Assembly;

2. Decides to include in the provisional agenda of the twelfth session of the Assembly the item "Report of the Negotiating Committee for Extra-Budgetary Funds".