



UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/5682
16 December 1963
ENGLISH
ORIGINAL: ENGLISH/FRENCH

Eighteenth session
Agenda item 63

AUDIT REPORTS RELATING TO EXPENDITURE BY
SPECIALIZED AGENCIES AND THE INTERNATIONAL
ATOMIC ENERGY AGENCY:

- (a) Earmarkings and contingency allocations from the Special Account of the Expanded Programme of Technical Assistance;
- (b) Earmarkings and allotments from the Special Fund.

Report of the Fifth Committee

Rapporteur: Mr. Raouf BOUDJAKDJI (Algeria)

1. At its 1050th and 1051st meetings, held on 2 and 3 December 1963, the Fifth Committee considered agenda item 63 on the basis of two notes by the Secretary-General (A/5581 and A/5582) transmitting the audit reports for the year ended 31 December 1963 relating to expenditure by specialized agencies and the International Atomic Energy Agency of technical assistance funds allocated from the Special Account of the Expanded Programme of Technical Assistance and expenditure by specialized agencies acting as executing agencies of funds earmarked and allotted from the Special Fund.
2. The Committee also had before it the related reports of the Advisory Committee on Administrative and Budgetary Questions (A/5626 and A/5627).
3. The representative of the Union of Soviet Socialist Republics pointed out that the total amount of cash at banks and investments amounted to \$125.8 million in the case of the Special Fund and to \$25.2 million in the case of the Expanded Programme of Technical Assistance, in all a total of \$151 million, either on deposit or invested, mainly in North America and in Europe. It was regrettable

that the proceeds of government contributions should thus be blocked instead of being used directly for practical purposes, for example in industrialization, in the interests of the developing countries. Further, the very high level of administrative expenditure connected with those programmes was a matter of great concern to his delegation. If those expenses were reduced instead of being increased continuously the beneficiary countries would receive a greater number of fellowships and experts and more equipment.

4. The representative of the Secretary-General stated that it was true that there were considerable unexpended balances which could be used for short-term investment. That was due to the fact that the allocations for programmes or projects which took several years to carry out were not immediately used in toto. The policy of the Secretariat was based on three main criteria: first, the Secretary-General believed that the money invested must be assured of absolute safety; secondly, that there must be an adequate margin of liquidity; and, thirdly, that the highest possible returns on investments should be sought. Following a recent discussion in the Governing Council of the Special Fund, it had been decided to use a larger proportion of the funds available for investment in development loans to the less developed countries, including a number of Latin American countries and several African and Asian countries, through the Inter-American Development Bank or the International Bank.

RECOMMENDATION OF THE FIFTH COMMITTEE

5. The Fifth Committee decided, without objection, to recommend to the General Assembly the adoption of the following draft resolutions:

Audit reports relating to expenditure by specialized agencies and the International Atomic Energy Agency

A

The General Assembly

Takes note of the audit reports relating to expenditure by specialized agencies and by the International Atomic Energy Agency of technical assistance funds allocated from the Special Account, for the financial year ended

31 December 1962 (A/5581), and of the observations thereon of the Advisory Committee on Administrative and Budgetary Questions as set forth in its twenty-ninth report to the General Assembly at its eighteenth session (A/5626).

B

The General Assembly

Takes note of the audit reports relating to expenditure by specialized agencies, acting as executing agencies, of funds earmarked from the Special Fund, for the financial year ended 31 December 1962 (A/5582), and of the observations thereon of the Advisory Committee on Administrative and Budgetary Questions as set forth in its thirtieth report to the General Assembly at its seventeenth session (A/5627).
