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SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1962

Report of the Fifth Committee

Reporteur: Mr. N.A. QUAO (Ghana)

1. The Fifth Committee examined the supplementary estimates for 1962 at meetings held between 3 October and 17 December 1962, on the basis of a series of reports submitted by the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions.<sup>1/</sup>
2. The following table shows the total supplementary estimates, under the expenditure and income headings:

<sup>1/</sup> A/5223, A/5239; A/C.5/929 and Corr.1; A/C.5/951 and Corr.1, A/5272 and Corr.1; A/C.5/943, A/5297; A/C.5/949, A/5312; A/C.5/946, A/5309; A/C.5/956, A/5336; A/C.5/960, A/5347; A/C.5/966.

Secretary- General's proposals	Advisory Committee's recommendations	Fifth Committee's recommendations to the General Assembly
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	United States dollars		
Supplementary estimates:			
- Part I of the present report	2,727,480	2,615,480	2,615,480
- Part II " " " "	250,000	250,000	800,000
- Part III " " " "	119,000	119,000	119,000
- Part IV " " " "	<u>19,200<sup>a/</sup></u>	<u>19,200<sup>a/</sup></u>	<u>19,200<sup>a/</sup></u>
- Part V " " " "	36,000	36,000	36,000
- Part VI " " " "	<u>21,500<sup>b/</sup></u>	<u>21,500<sup>b/</sup></u>	<u>21,500<sup>b/</sup></u>
- Part VII " " " "	(-38,500)	(-38,500)	(-38,500)
- Part VIII " " " "	141,500	141,500	141,500
- Part IX " " " "	<u>47,600<sup>c/</sup></u>	<u>47,600<sup>c/</sup></u>	<u>47,600<sup>c/</sup></u>
1962 appropriation (General Assembly resolution 1734A (XVI))			82,144,740
Revised appropriation for 1962			85,818,220
<b>INCOME</b>			
<u>Income from staff assessment:</u>			
Approved estimate (General Assembly resolution 1734B (XVI))			8,670,250
Estimated increase			<u>71,150</u>
Revised estimate for 1962			8,741,400
<u>Other income</u>			
Approved estimate (General Assembly resolution 1734B (XVI))			5,391,800
Estimated increase			<u>293,000</u>
Revised estimate for 1962			5,684,800

a/ The Secretary-General indicated (A/C.5/943, para. 7) that he would endeavour to absorb the item of \$19,200 within the total appropriation for 1962, by means of a transfer between appropriation sections.

b/ The Secretary-General was of the opinion (A/C.5/946, paras. 16, 17) that the additional expenditure for 1962 of \$21,500 could be met within the existing appropriations for section 3.

c/ The Secretary-General indicated (A/C.5/966, para. 3) that the expenditure of \$47,600 might possibly be met within the total appropriation for the financial year 1962, subject - as necessary - to the transfer of funds to section 18 from other sections of the budget.

I

3. The Secretary-General's estimate of \$2,727,480 for additional budgetary requirements in 1962, as contained in document A/5223, was composed of the following items:

	<u>United States dollars</u>
(a) Unforeseen and extraordinary expenses authorized under the terms of General Assembly resolution 1735 (XVI):	
(i) Under paragraph 1 of the resolution with the concurrence of the Advisory Committee on Administrative and Budgetary Questions . . . . .	1,120,000
(ii) Under paragraph 1 (a) of the resolution, under the Secretary-General's authorization . . . . .	1,018,200
(iii) Under paragraph 1 (b)(i) of the resolution, under the certification of the President of the International Court of Justice . . . . .	12,000
(b) Expenses arising from the application of the Staff Regulations and Rules . . . . .	767,700
(c) Expenses arising from decisions taken by the Economic and Social Council at its thirty-third and thirty-fourth sessions . . . . .	269,200
(d) Other additional requirements . . . . .	658,000
	\$ 3,845,100
<u>Less</u> decreases on certain activities and services . . . . .	1,117,600
Total	\$ 2,727,500

4. Income other than staff assessment was estimated at \$5,669,800, or an increase of \$278,000, while staff assessment income was estimated at \$8,720,000, or an increase of \$49,750.

5. In a related report (A/5239) the Advisory Committee on Administrative and Budgetary Questions recommended, for reasons set forth in paragraphs 15 to 18, a global reduction of \$112,000 in the estimate submitted by the Secretary-General. The Committee singled out, as areas where savings could be achieved during the remaining months of the year, the following appropriation sections: section 3 (Salaries and wages), section 5 (Travel of staff), and section 10 (General expenses). The Advisory Committee also recommended an additional increase of

\$15,000 in the increase of \$276,000 proposed by the Secretary-General for income other than staff assessment (income sections 3 to 6). Lastly, the Committee concurred in the Secretary-General's proposal for an increase of \$49,750 in the estimated income from staff assessment (income section 1). The effect of the Advisory Committee's recommendations is shown in the following table:

		\$
Supplementary estimates - Secretary-General's proposals		2,727,480
Decrease recommended by the Advisory Committee . . . . .		112,000
		<hr/> 2,615,480
<u>Less</u> increases in estimated income:		
income section 1 . . . . .	\$ 49,750	
income sections 3-6 . . . . .	293,000	342,750
		<hr/>
Net increase in 1962 expenditure . . . . .		\$2,272,730

6. The representative of the Secretary-General pointed out that although the supplementary estimates submitted by the Secretary-General amounted to \$2,727,480, the real level of expenditure for which the General Assembly had made no budgetary provision in December 1961 (resolution 1734 A (XVI)) was estimated at \$3,845,100, comprising \$2,150,200 incurred under paragraph 1 and paragraph 1 (a) and (b) of resolution 1735 (XVI) relating to unforeseen and extraordinary expenses; \$767,700 representing expenses incurred in application of the Staff Regulations and Rules; \$269,200 representing expenses resulting from decisions of the Economic and Social Council at its 1962 sessions; and \$658,000 for other additional requirements, an item attributable to the expansion in the activities of the United Nations in general and of the Economic Commission for Africa in particular; to the increased cost of contractual services and materials; and to the heavy conference programme at Headquarters and at Geneva. In the latter connexion, he drew attention to paragraphs 7-9 of the Secretary-General's report (A/5223) concerning the indirect impact of additional meetings and conferences on the level of expenditure, and to the fact that expenses for the Economic Commission for Africa had clearly been underestimated when the 1962 budget had been prepared. Surpluses on other items, to an aggregate amount of \$1,117,600, made it possible to reduce the supplementary estimates to

\$2,727,480. It was therefore evident that had the unforeseen and extraordinary expenses, and those incurred under the Staff Regulations and Rules, not been exceptionally heavy, the Secretary-General would not have needed to seek any supplementary provision for 1962. The Secretary-General did not contest the recommendations of the Advisory Committee for a global reduction of \$112,000 in the expenditure items and for an increase of \$15,000 in the income estimates. The former reduction would be applied as follows:

	\$
Section 3 . . . . .	62,000
Section 5 . . . . .	15,000
Section 10 . . . . .	15,000
Section 18 . . . . .	20,000

The Secretary-General might, however, find it necessary to request the Advisory Committee's concurrence in some transfers of credits between sections at the end of the year.

7. Most delegations taking part in the discussion, while deploring the fact that the supplementary estimates were almost four times as large as those for the preceding year, recognized that responsibility for the increase rested, in largest part, with the decision-making bodies. It was moreover virtually impossible to obviate some requests for additional funds in an Organization whose activities were growing in scope. Supplementary estimates were in one sense a sign of growth and flexibility, and considerations of economy should not stand in the way of the Organization's carrying out those of its appointed tasks which were truly indispensable and truly urgent. At the same time, however, the utmost care should be taken to adhere to proper budgetary procedures. In sounding a note of warning about supplementary estimates and particularly in striving to prevent the concept of "unforeseen and extraordinary expenses" from becoming too vague, the Advisory Committee had, in recent reports, echoed the concern of many delegations, for important principles of budgetary control were at stake.

3. Much of the discussion in the Committee was accordingly directed to two matters which the Advisory Committee had raised (A/5207, paras. 18-20; A/5243, paras. 10, 11) in relation to the submission of supplementary estimates generally:

- (a) The extent to which expenditure and obligations not covered by the appropriations for a given year might be incurred under the terms of the annual resolution on unforeseen and extraordinary expenses; and
- (b) The need for the General Assembly and the Main Committees to conform to the letter and spirit of financial regulation 13.1 and rule 154 of the Assembly's rules of procedure, concerning the administrative and financial implications of decisions taken by competent bodies.

9. In general, the members of the Committee gave full support to the conclusions and recommendations of the Advisory Committee, to the following effect:

(a) In accordance with rule 154 of the rules of procedure, the General Assembly should invariably be informed of the financial consequences of draft resolutions submitted by main Committees; it was not consistent with that rule to rely instead - as had been done, with the Assembly's concurrence, in December 1961 - on the resolution relating to unforeseen and extraordinary expenses for the financing of expenditure that could clearly be anticipated at the time the Main Committee's recommendations were adopted: such a procedure had the clear effect of circumventing the budgetary and administrative control that was vested in the Fifth Committee;

(b) Care should be taken in the future so to formulate the operative paragraphs of proposed resolutions - where these involved expenditure - as to enable the Secretary-General to provide at least tentative cost figures for each main item.

Specifically:

- (i) The nature and scope of the recommended task should be stated with precision;
- (ii) Where the establishment of a subsidiary body was in view, the text should define the terms of reference, work programme and duration of the proposed body; if it was deemed essential for the body to meet away from its headquarters, that fact should be stated and the scope and limits of its travel schedule and servicing requirements be prescribed;

(c) Draft resolutions giving rise to expenditure should be sent forward in time to enable the Fifth Committee to perform the function laid upon it by rule 154;

(d) Decision-making bodies - in particular the Economic and Social Council and its subsidiary organs - should make sure that resolutions with financial implications did not call for action necessitating supplementary estimates in a current financial year; in compliance with General Assembly resolution 1449 (XIV) of 5 December 1959 provision for the related expenditure should be included in estimates for the following year.

10. Representatives taking part in the discussion also emphasized that it was the duty of delegations in the decision-making bodies to give thought not only to the cost of programmes which the Organization was asked to undertake but to the degree of priority which the nature of the programmes merited. By the same token, Main Committees of the General Assembly, when taking decisions with financial implications for a subsequent year, should do so early enough in the session to enable the Fifth Committee to make a full examination of the financial consequences of the decisions. Subsidiary organs should not be allowed as much financial latitude as they had enjoyed in 1962, for they tended to lead the United Nations into expenditure which was out of proportion to the results which those organs were intended to achieve as well as to the priorities of the Organization as a whole. Moreover, in so doing, they were usurping budgetary prerogatives which, under the Charter, were vested in the General Assembly. As regards the annual resolution on unforeseen and extraordinary expenses, nothing should be done to strain the definition of its terms, which were specific, or read into them meanings which they could not naturally bear.

11. At the 916th meeting, the Committee unanimously adopted a proposal of the representative of Iraq that the Committee should address a letter, through the President of the General Assembly, to the Main Committees of the Assembly requesting them to comply strictly with rule 154 of the rules of procedure and drawing their attention to the other recommendations of the Advisory Committee (para. 9 above).<sup>2/</sup>

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<sup>2/</sup> The draft text of the letter (A/C.5/L.728) was considered by the Committee at the 920th and 921st meetings. The approved text, incorporating amendments suggested by the Chairman of the Advisory Committee and a number of representatives, was issued as document A/C.5/927.

12. Some delegations voiced criticism of the Secretary-General's proposals. Every year the Fifth Committee considered the supplementary estimates and every year approved them with only slight adjustments on the ground that there was little point in reviewing expenditure which had already been incurred. It had thus become the practice for the Secretary-General's budgetary decisions to receive ex post facto approval. That practice was undermining the financial discipline of the United Nations; individual United Nations bodies tended to disregard the financial implications of their decisions and at times planned low-priority projects side by side with projects of high importance, requesting supplementary appropriations in respect of both. The Secretariat often complied with their wishes in the knowledge that the Fifth Committee would be obliged to approve such expenditure if included in the supplementary estimates. Such estimates should be confined to expenses that were truly unforeseen or extraordinary and not embrace a variety of unnecessary items, for otherwise the General Assembly would be prevented from exercising effective financial control. These delegations could not agree to the proposed provision of \$11,000 for the United Nations Representative on the Question of Hungary, whose activities they considered to be illegal and contrary to the Charter and to represent interference in the domestic affairs of a Member State. Some representatives also felt that the administrative expenses under chapter IX of section 20 - Indemnification of refugees persecuted under the Nazi regime by reason of their nationality - should be borne by the Federal Republic of Germany; in addition, the Security Council should review the United Nations missions in India and Pakistan, and in Korea, which merely served cold war purposes.



Decisions of the Committee

13. At the 917th meeting, the Committee voted on those sections of the supplementary estimates, as recommended by the Advisory Committee (A/5239, para. 19), which differed from the original appropriations. The result of the voting was as follows:

<u>Section</u>	<u>Amount</u>	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
	<u>United States</u> <u>dollars</u>			
1	1,103,050	Unanimous		
2	2,169,710	Unanimous		
3	40,862,500	67	0	10
4	9,694,700	67	0	11
5	2,144,700	67	0	9
7	4,414,500	Unanimous		
8	448,500	Unanimous		
9	3,536,400	70	0	10
10	4,132,200	70	0	10
11	1,429,750	68	0	10
12	254,600	79	0	1
18 (separate vote on the United Nations Representative on the Question of Hungary)	11,000	41	18	19
18 (as a whole)	3,224,810	62	11	3
19	1,323,000	69	0	11
20	2,583,200	68	0	11
21	938,600	Unanimous		

14. The Committee voted at the same meeting on the revised estimates for the income sections, as recommended by the Advisory Committee (A/5239, para. 19), where those estimates differed from the estimates originally approved. The result of the voting was as follows:

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Income section	Amount	In favour	Against	Abstentions
	<u>United States</u> <u>dollars</u>			
1	8,720,000	Unanimous		
3-6	5,684,800 <sup>a/</sup>	Unanimous		

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<sup>a/</sup> Additional increase of \$15,000 recommended by the Advisory Committee (A/5239, paras. 18, 19) to be applied to income section 3.

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II

Additional financial commitments to meet emergency measures under General Assembly resolution 1746 (XVI) concerning the future of Ruanda-Urundi

15. At its 934th to 937th meetings, held between 30 October and 1 November 1962, the Committee considered a report of the Secretary-General (A/C.5/929 and Corr.1) requesting a supplementary provision of \$250,000 under Section 18 (Special Missions) of the 1962 budget, for the purpose of financing projects in Rwanda and Burundi.

16. The request of the Secretary-General had its origin in General Assembly resolution 1746 (XVI) of 27 June 1962, paragraph 5 of which reads as follows:

"The General Assembly

"5. Authorizes the Secretary-General, in accordance with the provisions of paragraph 1 of General Assembly resolution 1735 (XVI) of 20 December 1961 on unforeseen and extraordinary expenses for the financial year 1962, to enter into commitments not exceeding \$2 million for the purpose of such emergency measures as may be required to ensure the continuation of essential services in the two countries, pending the consideration by the General Assembly of the report of the Secretary-General referred to in paragraph 4 (c) above;".

In paragraph 4 (c) the General Assembly requested the Secretary-General "to study, in consultation with the Governments concerned and in the light of the recommendations made by the United Nations Commission for Ruanda-Urundi, the need for technical and economic assistance in Rwanda and Burundi, so as to enable the Secretary-General to submit a report thereon, together with his recommendation, to the General Assembly at its seventeenth session;".

17. In paragraph 3 of his report, the Secretary-General indicated that, after careful examination of requests received from the Governments of Burundi and Rwanda, he had submitted to the Advisory Committee on Administrative and Budgetary Questions on 13 September 1962, for its prior concurrence, two projects estimated at \$400,000 each, the one for Burundi (comprising the repair of a portion of the Usumbura-Kigali road) and the other for Rwanda (comprising the construction of administrative buildings and housing in Kigali). The Committee had concurred in commitments to a total amount of \$250,000 for immediate, preliminary steps in connexion with the two projects, observing that the provision

"should enable advance planning and other essential preliminary steps to be taken pending the establishment of more appropriate arrangements for the financing of the balance of the costs of these projects outside the regular budget."

18. While the discussion in the Fifth Committee disclosed a sharp difference of opinions on questions of budgetary procedure, it also reflected the unanimous support of the Committee for the provision of all possible aid to Rwanda and Burundi which, as a former Trust Territory, had a special claim on the continued interest of the Organization.

19. A number of delegations expressed their disappointment that the Advisory Committee had approved no more than \$250,000 out of the \$800,000 requested by the Secretary-General. A more liberal interpretation of General Assembly resolution 1746 (XVI) would have been desirable, for the limitation of credits to less than one third of the sum proposed would hamper indispensable work which was clearly covered by the definition of "emergency measures ... required to ensure the continuation of essential services in the two countries ...". The projects proposed by the Governments of Rwanda and Burundi amounted to over \$5 million, against which the Secretary-General had submitted an extremely conservative request. These delegations dissented from the Advisory Committee's contention that the projects submitted by the Secretary-General could with difficulty be reconciled with the stipulated conditions; though containing items of capital development, the projects came, by express decision of the Assembly, within the scope of the regular budget of the United Nations. The Advisory Committee had pointed out, in support of its decision, that the Secretary-General would very shortly circulate his report on the need for technical and economic assistance to the two countries. But the tasks entrusted to the Secretary-General respectively in paragraphs 4 (c) and 5 of the resolution could not properly be linked, since the latter paragraph expressly authorized the Secretary-General to commit funds for stated purposes pending the consideration by the General Assembly of his report under paragraph 4 (c). The Advisory Committee had not indicated the source from which the balance of the costs might be met: whether recourse should be had to the Expanded Programme of Technical Assistance or the Special Fund - neither of which could, under the regulations, be used for capital development expenditure - or whether, more generally, the report to be considered by the Second Committee towards the

end of November 1962 would provide a solution. It was difficult to follow the reasoning of the Advisory Committee. It was open to that body to argue that the projects in question did not come within the definition of emergency measures. But since it had not done so, there appeared to be no justification for its withholding a part of the funds that were required for their completion. In normal circumstances, it might be preferable, as a matter of principle, not to include expenses of the kind proposed in the regular budget. There were, however, two cardinal considerations: (a) that, as the wording of the resolution made clear, the General Assembly had expressly desired to provide, by means of emergency measures, for the maintenance of essential services in the two countries; and (b) that the Organization had a special responsibility towards countries which had previously formed one of its Trust Territories.

20. Other delegations considered that the question at issue was one of furnishing assistance through the appropriate channels and agencies. The Advisory Committee had not been called upon for a purely advisory opinion on an ordinary estimate, for, once its concurrence had been given, the funds were irrevocably committed as a liability on the part of all Member States. The Advisory Committee had shown a commendable attitude of caution; it had had doubts on two points, first, whether the two projects could be regarded as emergency measures under paragraph 5 of the pertinent resolution and, secondly, whether expenditure for capital development projects could be authorized under the regular budget. It had, moreover, felt that insufficient information had been provided in respect of one of the projects. It was obvious that if the projects were to be completed, far more than \$250,000 would be required, and the method of financing the balance raised a question of principle; the Advisory Committee had made its recommendation to enable the work to go forward pending a decision on that question. The resolution authorized the commitment of funds with the prior concurrence of the Advisory Committee, and funds had accordingly been committed. It did not empower the Fifth Committee to increase the amount which the Advisory Committee had authorized and which the Secretary-General had accepted. As regards the balance of the funds, no action should be taken until the Second Committee had examined the Secretary-General's comprehensive report. Were the Fifth Committee to seek, in the absence of a formal proposal by the

Secretary-General, to increase the authorized commitment, it would be encroaching upon the competence of another Main Committee. The Second Committee was in any case best placed to study all pertinent questions, including the possibility of enlisting the help of the International Bank and the International Development Association.

21. The view was expressed that while it might have been preferable not to take any new decision until the Secretary-General's report to the Second Committee had been considered, it was also essential to ensure that the two projects could be duly completed. In those circumstances the Committee might be justified in considering a new exceptional request by the Secretary-General, provided that it was supported with detailed information concerning the amount that would be needed to carry the projects forward until such time as the Second Committee had made its recommendations; in addition, information should be given on the possibilities of financing the projects outside the regular budget.

22. At the 934th meeting the representative of Israel proposed that the revised estimates under Section 18 of the 1962 budget, as approved by the Fifth Committee at its 917th meeting, should be increased by \$750,000 in respect of the two projects under discussion. The representative of the Ivory Coast proposed that the figure of the increase should be \$800,000, but he subsequently withdrew his proposal in favour of that submitted by Israel.

23. The representatives of Mali and the United Arab Republic proposed, at the 935th meeting, that the matter should be referred back to the Advisory Committee, for reconsideration.

24. The Chairman of the Advisory Committee pointed out that the recommendation of that Committee should be judged in the light of its responsibility under General Assembly resolution 1735 (XVI) on unforeseen and extraordinary expenses and in the context of the circumstances prevailing at the time when the matter had been referred to it. The Advisory Committee's principal function under that resolution was to keep watch over the finances of the United Nations between sessions of the General Assembly. It had, however, been asked to examine the two projects on the eve of the seventeenth session, and its recommendation had been based on the circumstances prevailing at that time. The sum of \$250,000 represented no more than an initial step, pending the adoption of

more appropriate arrangements for the financing of the balance of the costs. As regards the proposals to refer the matter back to the Advisory Committee, he was of opinion that that Committee should not be asked to go back upon its decision with the object of approving the amount initially requested by the Secretary-General or any other amount exceeding that in which it had concurred. As its name indicated, the Committee was an advisory body whose opinion must be given objectively on the basis of facts and within the strict limits of its terms of reference. The alternatives before the Fifth Committee were, in his view, either to anticipate the decisions which the Second Committee would take in full knowledge of the situation in the two countries, or to vote, as a supplementary appropriation, the credit authorized by the Advisory Committee, and thereafter to request the Secretary-General to present new proposals in the light of the Second Committee's recommendations. He urged the Fifth Committee not to exert pressure on the Advisory Committee to rescind its decision, for if the latter Committee yielded, it would cease to play its proper role. It was, however, open to the Fifth Committee, in the exercise of its own responsibility, to go beyond the figure recommended by the Advisory Committee.

25. Representatives of the Secretary-General, replying, at the 934th and 935th meetings, to questions raised in the course of the discussion, made the following, among other, points:

(a) It had not been possible to submit the request for funds to the Advisory Committee before 13 September 1962. Following the adoption of General Assembly resolution 1746 (XVI) on 27 June, the Secretary-General's representative had carried out an on-the-spot survey in Rwanda and Burundi, returning to Headquarters at the end of August;

(b) On the question of the adequacy of the sum of \$250,000 for the completion of the two projects, the Advisory Committee's authorization was intended solely for "advance planning and other essential preliminary steps ... pending the establishment of more appropriate arrangements for the financing of the balance of the costs". Thus, where the road repair project was concerned, it had only been possible to do enough preliminary work to keep the road open until the end of the rainy season;

(c) Possible arrangements for financing the balance of the costs outside the regular budget would be among the questions to be dealt with in the report called for under operative paragraph 4 (c) of General Assembly resolution 1746 (XVI).

The delay in presenting that report - it would be issued in the first week of November - was due to the desire to include full, up-to-date information regarding the various sources from which assistance to the two countries might be financed. To that end, the Secretariat was awaiting the conclusion of protracted negotiations between the Belgian Government and the Governments of Burundi and Rwanda;

(d) The Belgian Government had set aside substantial sums for technical and economic assistance to the two countries. Projects involving capital development did not, however, come within the scope of that assistance;

(e) On the question of budgetary procedure, the position of the Secretary-General could be summarized as follows:

- (i) The Secretary-General had complied strictly with General Assembly resolution 1746 (XVI). Following an exhaustive study of the situation, which had been made both at Headquarters and on the spot, he had come to the conclusion that the two projects were unquestionably emergency measures necessary to ensure the maintenance of essential services in the two countries. He had therefore, in accordance with General Assembly resolution 1735 (XVI), sought the concurrence of the Advisory Committee in commitments of up to \$800,000. For the reasons stated in the report (A/C.5/929, para. 6), the Advisory Committee had limited its concurrence to \$250,000: that figure accordingly represented the maximum which, for his part, the Secretary-General could request by way of supplementary provisions; it was, however, open to any Member State to propose a larger provision within the regular budget;
- (ii) As it had been clear in September that the report under paragraph 4 (c) of resolution 1746 (XVI) could not be considered before November, the Secretary-General had not been prepared to defer action until the Second Committee had made its recommendations to the General Assembly in November or December. The \$250,000 having already been committed, there remained the question how much of that sum could be obligated before the end of the year. In accordance with the practice previously adopted in similar cases, any unobligated balances might be paid into a special trust account, for use in 1963;
- (iii) While the prospective discussion in the Second Committee on the Secretary-General's report on technical and economic assistance in Rwanda and Burundi might enable the Fifth Committee to base its final decision on fuller information, the position was that the projects could not be financed under the Expanded Programme of Technical Assistance or the Special Fund. There remained the possibility of bilateral assistance or of the General Assembly's setting up a special programme financed by voluntary contributions.



26. At the 935th meeting, the representative of France proposed, as a compromise solution, that the appropriation for the two projects should be increased from \$250,000 to \$500,000. He pointed out that although, from the technical standpoint, the sum recommended by the Advisory Committee might perhaps suffice for the remaining two months of 1962, the Committee should also have regard to an important moral aspect of the question: it had been feared that the emergency measures foreseen in General Assembly resolution 1746 (XVI) would be mainly of a military character; the two States had, however, shown a wisdom worthy of peoples with a longer history, and a conflict had been averted. It would therefore be regrettable if, instead of marking its gratitude, the Assembly reduced from \$2 million to \$250,000 the assistance which they so sorely needed, and on that ground his delegation felt that a compromise proposal would be in order.

27. At the 936th meeting, the representative of Tunisia proposed that an appropriation of \$800,000 for the two projects should be approved. The proposal sponsored jointly by Israel and the Ivory Coast, which had been submitted at the 934th meeting, was thereupon withdrawn in favour of the Tunisian proposal.

28. At the 936th and 937th meetings, the Committee considered a motion made by the United States representative, under rule 117 of the rules of procedure, for the adjournment of the debate on the item under discussion. The representative explained that his purpose was to defer further consideration of the item pending the circulation of the Secretary-General's report on technical and economic assistance to Rwanda and Burundi. His delegation was in no way opposed to giving those countries the assistance they needed. The purpose of the motion was: (a) to give time for the Committee to consider the Secretary-General's report before reaching a decision; (b) to afford the Chairman of the Fifth Committee an opportunity to consult the Chairman of the Second Committee which would be considering the report in detail; (c) to enable the Secretary-General to offer any additional comment he might wish to make in the light of the debate that had taken place in the Fifth Committee; and (d) to enable delegations which had doubts about the procedure to be followed to consult their governments. The delay in coming to a decision on the item would not exceed a week or ten days.

29. The United States motion for the adjournment of the debate was rejected by 34 votes to 23, with 22 abstentions.

30. At the 937th meeting the representative of Togo moved the closure of the debate under rule 118 of the rules of procedure. The motion was adopted by 21 votes to 20, with 34 abstentions.

Decisions of the Committee

31. At the 937th meeting, the Committee adopted by a roll-call vote of 50 to none, with 37 abstentions, the proposal for a revised appropriation of \$3,224,810 for section 18 of the 1962 budget, as approved by the Committee at its 917th meeting, should be increased by \$800,000 to \$4,024,810. The voting was as follows:

In favour: Afghanistan, Algeria, Austria, Belgium, Burma, Burundi, Cambodia, Cameroon, Central African Republic, Ceylon, Chad, Chile, Colombia, Congo (Brazzaville), Congo (Leopoldville), Federation of Malaya, Gabon, Ghana, Guinea, India, Indonesia, Iran, Iraq, Israel, Ivory Coast, Laos, Lebanon, Liberia, Libya, Mali, Mauritania, Mexico, Morocco, Nepal, Netherlands, Nigeria, Pakistan, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Somalia, Sudan, Syria, Tanganyika, Togo, Tunisia, Turkey, United Arab Republic, Yugoslavia.

Against: None.

Abstentions: Argentina, Australia, Brazil, Bulgaria, Byelorussian Soviet Socialist Republic, Canada, China, Cuba, Czechoslovakia, Denmark, Ecuador, El Salvador, Finland, France, Greece, Hungary, Ireland, Italy, Japan, Mongolia, New Zealand, Norway, Panama, Peru, Philippines, Poland, Romania, South Africa, Spain, Sweden, Thailand, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela.

32. At the 938th meeting, the representative of China explained that his delegation had inadvertently abstained on the vote at the previous meeting although it had been in favour of the proposed appropriation of \$800,000. The representative of Ethiopia said that, because of his unavoidable absence from the meeting, he had not taken part in the vote. His delegation approved the decision that had been taken and would vote for the proposed appropriation of \$800,000 in the plenary meeting of the General Assembly.

III

Salary Scales for General Service and Manual Worker  
 Categories

33. At its 941st meeting on 7 November 1962, the Committee considered a report of the Secretary-General submitting supplementary or revised estimates for 1962 and 1963 in respect of increases in the salary scales for staff in the General Service and Manual Worker categories at Headquarters and the European office (A/C.5/931 and Corr.1). The Committee also had before it a report of the Advisory Committee on Administrative and Budgetary Questions (A/5272 and Corr.1).

The Secretary-General's report covered the following three actions:

- (a) An increase in General Service and Manual Worker salary rates at Geneva, effective 1 January 1962;
- (b) An increase in Manual Worker wage rates at Headquarters, effective 1 April 1962; and
- (c) An increase in General Service salary scales at Headquarters, effective 1 October 1962.

The financial implications for the two years are shown below:

	Supplementary provision <u>1962</u> \$	Supplementary provision <u>1963</u> \$	Income from staff assessment <u>1962</u> Increase \$	<u>1963</u> Increase \$
Action (a) above	327,000 <sup>a/</sup>	{ 888,000	{ 21,400	{ 147,000
Action (b) above	50,250 <sup>a/</sup>			
Action (c) above	119,000			

<sup>a/</sup> These items were considered at the 917th meeting of the Committee under part I of the Supplementary Estimates for 1962.

34. The Advisory Committee pointed out (A/5272, para. 6) that, in so far as the increase in the General Service scale at Headquarters was concerned, the Secretary-General's proposal was based on a survey which had been limited to rates of pay in outside employment, without reference to such other factors as hours of work, annual leave, pension benefits, medical insurance, and security of tenure. The Committee recommended that any fresh review of General Service salaries, whether at Headquarters or at Geneva, should cover other conditions of employment as well as salary.

35. While the Advisory Committee's recommendation met with general approval, the point was made that the inclusion of the factors enumerated by that Committee, though perhaps desirable in principle, would add to the already acute difficulty of finding a precise basis of comparison with outside employment. Many members of the United Nations General Service staff performed functions which did not exist outside an international organization. It was therefore doubtful whether a valid comparison could be made. Moreover, the Advisory Committee had omitted from its enumeration one important feature of United Nations employment, namely, the limited scope for promotion. That limitation did not have a psychological effect alone; it also had concrete monetary implications.

36. Representatives also welcomed the Advisory Committee's observations (A/5272, paras. 3, 4) on the need for reinforcing the existing machinery for regulating the common salary system and for giving effect to the recommendations made by the Salary Review Committee in 1956 (A/3209, paras. 295-303). They recognized that it was the initiative of the Advisory Committee which had led the Administrative Committee on Co-ordination to adopt its recent statement on inter-organizational machinery for matters of pay and personnel administration (A/C.5/934). The ACC's proposal to review the terms of reference, composition and working arrangements of the International Civil Service Advisory Board (ICSAB) showed that a determined effort was at last being made to resolve an acute problem of long standing. A strongly constituted independent body, capable of impartial judgement, would command the respect of all concerned. The difficulties which had arisen during the current year in applying a common system of salaries and conditions of employment throughout the United Nations family had been due to the fact that there was as yet no general agreement on the methods and criteria to be applied in the gathering of data or on the interpretation of given data and their translation into concrete proposals. It was also suggested that any new machinery should follow the pattern of national agencies for the settlement of salary disputes and provide tripartite representation, for the employing organization, the staff members and the legislative organ authorizing the necessary funds.

37. Some delegations felt unable to approve the Secretary-General's proposals on the grounds that insufficient justification had been given; his report failed to provide enough information on the basic data used or the criteria on which his

estimates were based. The Fifth Committee's role was thus reduced to one of "rubber stamping" and it was debarred from exercising effective financial control. "Best prevailing rates" was too vague a formula on which to base salary adjustments in international organizations, while the surveys were too restricted in quantity and in the actual comparability of outside jobs. These delegations agreed with the Advisory Committee that the surveys should cover not only salary but also other conditions of employment, as prescribed in General Assembly resolution 1095 (XI) of 27 February 1957.

Decisions of the Committee

38. At the 941st meeting the Committee decided, by 56 votes to none, with 8 abstentions, to approve the recommendations of the Advisory Committee (A/5272, paras. 5 (a), (b) and (c)), as follows:

(a) Supplementary appropriations for 1962:

Section 3 . . . . .	\$104,000
Section 4 . . . . .	\$ 14,000
Section 18 . . . . .	\$ 1,000
Income from staff assessment . . . . .	\$ 21,400

(b) Revised appropriations for 1963:

Section 3 . . . . .	\$757,500
Section 4 . . . . .	\$ 98,500
Section 18 . . . . .	\$ 3,000
Section 20 . . . . .	\$ 29,000
Income from staff assessment . . . . .	\$147,000

IV

Additional accommodation for the Secretariat of the Economic Commission for Asia and the Far East in Bangkok

39. In a report of the Secretary-General (A/C.5/943), which was taken up at the 952nd meeting, the Committee noted, with deep appreciation, that the Government of Thailand had decided to appropriate in 1963 the funds necessary for the construction of an annex to the building at present occupied in Bangkok by the Economic Commission for Asia and the Far East. The proposed construction would relieve the shortage of office space resulting from the steady growth in ECAFE's activities and staffing.

The Secretary-General proposed that, pending completion of the Annex towards the end of 1963, temporary accommodation should be provided at a cost of \$19,200.

40. In a related report (A/5297) the Advisory Committee on Administrative and Budgetary Questions concurred in the Secretary-General's proposal, and noted that he would endeavour to absorb the item of \$19,200 within the total appropriation for 1962, by means of a transfer between appropriation sections which would be reflected in the comprehensive resolution to be submitted to the Committee at the close of the session.

41. In approving the Secretary-General's proposal, the Fifth Committee acknowledged, with warm gratitude, the generous decision of the Government of Thailand. The unfailing co-operation and good will of the Thai Government and people had been assets of the highest value to the Commission as it strove to achieve its objectives.

V

Travel of representatives and alternate representatives to  
regular sessions of the General Assembly

42. At the 957th meeting, the Committee unanimously approved a supplementary appropriation for 1962 under section 1, to an amount of \$36,000 in respect of the cost of travel of the representatives and alternate representatives of six new Member States to the regular session of the General Assembly. For this purpose, the Committee had before it reports of the Secretary-General (A/C.5/949) and the Advisory Committee (A/5312).

VI

Post classifications for United Nations Headquarters, New York,  
and the European Office, Geneva

43. At its 958th meeting, the Committee considered a report of the Secretary-General (A/C.5/946) submitting the following proposals, in which (subject to certain observations) the Advisory Committee on Administrative and Budgetary Questions concurred (A/5309, paras. 16-18), in respect of the classification, within the post adjustment system for staff in the Professional and higher categories, of Headquarters, New York, and the European Office, Geneva:

(a) Geneva

- To apply a class 2 post adjustment for eligible staff members in the United Nations Office in Geneva, with effect from 1 November 1962;

(b) Headquarters, New York

- To apply a class 5 post adjustment for eligible staff members at United Nations Headquarters, with effect from the date on which it became justified under the post adjustment system, subject to the Advisory Committee's being informed at the time of implementation, and to the further condition that the effective date would not be earlier than 1 January 1963.

44. One delegation, dissenting from the Secretary-General's proposals, remarked that, although a revised system of base salaries for the Professional and higher categories had been introduced in January 1962, the Secretary-General was nevertheless proposing a higher classification within the post adjustment system both for New York and Geneva. Yet the salaries of staff members were already higher than those of officials of corresponding rank in most national administrations. The Advisory Committee should look into the matter, for the procedures that were being followed were, in this delegation's opinion, irregular: specifically, as regards the special Geneva index, and the special system that was contemplated for New York. Furthermore, the Secretary-General should seek ways and means of absorbing any such increases, if justified, within the appropriations already authorized.

45. The Committee took note of the Secretary-General's opinion (A/C.5/946, paras. 16, 17) that, as regards Geneva, the additional expenditure for 1962 of \$21,500 could be met within existing appropriations for section 3.

Decisions and recommendations of the Committee<sup>3/</sup>

46. The Fifth Committee decided, by 50 votes to none, with 8 abstentions, to recommend to the General Assembly the adoption of the following decisions:

- (a) To authorize a class 2 post adjustment for the United Nations Office at Geneva, with effect from 1 November 1962; and
- (b) To authorize a class 5 post adjustment for Headquarters, New York, when this becomes justified under the post adjustment system, subject to (i) the Advisory Committee's being informed at the time of implementation and (ii) the condition that the effective date shall not be earlier than 1 January 1963.

VII

Revised estimates resulting from decisions of the  
Economic and Social Council at its thirty-third  
and thirty-fourth sessions

47. At its 974th meeting, the Committee considered the reports of the Secretary-General (A/C.5/956) and the Advisory Committee on Administrative and Budgetary Questions (A/5336) regarding various revisions of the appropriations or estimates for the financial years 1962 and 1963 which decisions taken by the Economic and Social Council at its thirty-third and thirty-fourth sessions had made necessary.

3/ At the 958th meeting the Committee also approved, on first reading of the 1963 estimates, the following appropriations, as recommended by the Advisory Committee:

<u>1963</u>			<u>United States Dollars</u>
Section 3	Geneva	\$110,000	
Section 3	Headquarters	<u>463,000</u>	573,000
Section 20	United Nations High Commissioner for Refugees		21,000
		Total	<u>\$594,000</u>



48. At the time when the Secretary-General's earlier report (A/C.5/919) on the financial consequences of the Council's decisions had been before the Committee, during October and November 1962, it had not been possible for him to provide firm estimates of possible expenditures that might arise in 1963 in connexion with meetings of the Technical Assistance Committee and the holding of a United Nations Conference on Travel and Tourism. Apart from proposing the necessary provision for those two items in 1963, the Secretary-General's second report (A/C.5/956) requested the re-appropriation from 1962 to 1963 of certain unexpended funds for the establishment of the African Development Bank.

49. The Committee approved the following recommendations of the Advisory Committee:

- (a) For 1962, to reduce by \$38,500 the supplementary estimates;
- (b) For 1963, to increase by \$86,100 the expenditure estimates;
- (c) For 1963, to increase by \$39,300 the estimate under income section 3.

The distribution of the expenditure items would be made between appropriation sections in the manner indicated in paragraph 10 of the Secretary-General's report (A/C.5/956).

#### VIII

50. At its 976th meeting, the Committee considered a report by the Secretary-General (A/C.5/960) proposing a supplementary appropriation under section 2 of the 1962 budget estimates for the purpose of meeting requirements under General Assembly resolution 1762 (XVII) of 6 November 1962 concerning the urgent need for the suspension of nuclear and thermo-nuclear tests.<sup>4/</sup> The Committee also had before it a related document of the Advisory Committee on Administrative and Budgetary Questions (A/5347).

51. The Fifth Committee approved a supplementary appropriation of \$141,500 under section 2 of the 1962 budget estimates.

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<sup>4/</sup> In an earlier estimate (letter dated 6 November 1962 from the Chairman of the Fifth Committee to the President of the General Assembly) the Fifth Committee had indicated, on the basis of tentative estimates submitted by the Secretary-General, that the adoption of the resolution might give rise to additional expenditure estimated, according to alternative contingencies, at not more than \$145,000 or \$213,000 (see A/C.5/940).

IX

Expenditures related to the visit of the Secretary-General to Cuba

52. At the 978th meeting, the Committee considered the report of the Secretary-General (A/C.5/966) concerning the expenditures incurred in connexion with the visit of the Secretary-General to Cuba in October 1962. The Committee also had before it a report of the Advisory Committee on Administrative and Budgetary Questions which was presented orally by the Chairman of that Committee.

53. The Committee took note of the report and the related recommendations of the Advisory Committee, according to which no additional appropriation would be required for the estimated expenditure of \$47,600 which arose under section 18 (Special missions), but which could possibly be met within the total budgetary appropriation for 1962. The Fifth Committee also noted that the Secretary-General might have to seek the concurrence of the Advisory Committee at the end of 1962 for the transfer of some funds to section 18 from other sections in order to meet these expenditures.

Recommendation of the Fifth Committee

54. The Fifth Committee recommends to the General Assembly the adoption of the attached draft resolution:

ANNEX

DRAFT RESOLUTION ON SUPPLEMENTARY ESTIMATES  
 FOR THE FINANCIAL YEAR 1962

The General Assembly.

1. Resolves that for the financial year 1962 the amount of \$US82,144,740 appropriated by its resolution 1734 A (XVI) of 20 December 1961 is increased by \$US3,673,480 as follows:

	Amount appropriated by resolution 1734 A (XVI)	Supplementary appropriation	Revised amount of appropriation
A. UNITED NATIONS (In US dollars)			
<u>Section</u>			
<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 . . . . .	1,155,240	(16,190)	1,139,050
2. Special meetings and conferences . . . . .	<u>1,532,700</u>	<u>760,010<sup>a/</sup></u>	<u>2,292,010</u>
TOTAL, PART I . . . . .	<u>2,687,240</u>	<u>743,820</u>	<u>3,431,060</u>
<u>Part II. Staff costs and related expenses</u>			
3. Salaries and wages . . . . .	40,765,550	132,750 <sup>b/</sup>	40,898,300
4. Common staff costs . . . . .	9,399,650	309,050	9,708,700
5. Travel of staff . . . . .	2,065,000	100,900	2,165,900
6. Payments 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>52,330,200</u>	<u>542,700</u>	<u>52,872,900</u>

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Section	Amount appropriated by resolution 1734 A (XVI)	Supplementary appropriation	Revised amount of appropriation
(In US dollars)			
<u>Part III. Buildings, equipment and common services</u>			
7. Buildings and improvements to premises . . . . .	4,364,500	35,000	4,399,500
8. Permanent equipment . . . . .	458,500	10,000	448,500
9. Maintenance, operation and rental of premises . . . . .	3,458,200	112,400 <sup>2/</sup>	3,570,600
10. General expenses . . . . .	3,684,800	452,400	4,137,200
11. Printing . . . . .	<u>1,286,650</u>	<u>145,100</u>	<u>1,429,750</u>
TOTAL, PART III . . . . .	<u>13,232,650</u>	<u>752,900</u>	<u>13,985,550</u>
<u>Part IV. Special expenses</u>			
12. Special expenses . . . . .	<u>194,600</u>	<u>60,000</u>	<u>254,600</u>
TOTAL, PART IV . . . . .	<u>194,600</u>	<u>60,000</u>	<u>254,600</u>
<u>Part V. Technical programmes</u>			
13. Economic development . . . . .	2,135,000	-	2,135,000
14. Social activities . . . . .	2,105,000	-	2,105,000
15. Human rights activities . . . . .	140,000	-	140,000
16. Public administration . . . . .	1,945,000	-	1,945,000
17. Narcotic drugs control . . . . .	75,000	-	75,000
TOTAL, PART V . . . . .	<u>6,400,000</u>	<u>-</u>	<u>6,400,000</u>

Section	Amount appropriated by resolution 1734 A (XVI)	Supplementary appropriation	Revised amount of appropriation
(In US dollars)			
<u>Part VI. Special missions</u>			
18. Special missions . . . . .	2,490,650	1,535,160	4,025,810
19. United Nations Field Service . . . . .	<u>1,357,000</u>	<u>(34,000)</u>	<u>1,323,000</u>
TOTAL, PART VI . . . . .	<u>3,847,650</u>	<u>1,501,160</u>	<u>5,348,810</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>2,525,800</u>	<u>60,900<sup>b/</sup></u>	<u>2,586,700</u>
TOTAL, PART VII . . . . .	<u>2,525,800</u>	<u>60,900</u>	<u>2,586,700</u>
<u>Part VIII. International Court of Justice</u>			
21. International Court of Justice . . . . .	<u>926,600</u>	<u>12,000</u>	<u>938,600</u>
TOTAL, PART VIII . . . . .	<u>926,600</u>	<u>12,000</u>	<u>938,600</u>
GRAND TOTAL . . . . .	<u>82,144,740</u>	<u>3,673,480</u>	<u>85,818,220</u>

a/ In accordance with decision of the Fifth Committee at its 952nd meeting, \$19,200 has been transferred from Section 2 to Section 9 with regard to additional cost for office accommodation for the secretariat of the Economic Commission for Asia and the Far East in Bangkok.

b/ In accordance with decision of the Fifth Committee at its 958th meeting, \$3,500 has been transferred from Section 3 to Section 20 with regard to additional cost for post adjustment classification for the Office of the High Commissioner for Refugees.

2. Resolves that the unexpended balance of the 1962 appropriation of \$US800,000 in respect of emergency measures for the maintenance of essential services in Rwanda and Burundi, included under Section 18, shall be transferred on 31 December 1962 to a trust fund account for meeting expenditures for these two projects authorized by the General Assembly at its 1118th meeting on 27 June 1962 in resolution 1746 (XVI).

3. Further resolves that the estimates of income for the financial year 1962, approved by its resolution 1734 B (XVI) of 20 December 1961, are revised as follows:

<u>Income</u> <u>Section</u>	Estimate approved by resolution 1734 B (XVI)	Increase or (decrease)	Revised estimate
	(In US dollars)		
<u>Part I. Income from staff assessment</u>			
1. Staff assessment income . . . . .	8,670,250	71,150	8,741,400
TOTAL, PART I . . . . .	<u>8,670,250</u>	<u>71,150</u>	<u>8,741,400</u>
<u>Part II. Other Income</u>			
2. Funds provided from extra-budgetary accounts . . . . .	1,666,800	-	1,666,800
3. General income . . . . .	1,400,000	159,000	1,559,000
4. Sale of United Nations postage stamps . . . . .	1,275,000	30,000	1,305,000
5. Sale of publications . . . . .	375,000	25,000	400,000
6. Services to visitors and catering services . . . . .	<u>675,000</u>	<u>79,000</u>	<u>754,000</u>
TOTAL, PART II . . . . .	<u>5,391,800</u>	<u>293,000</u>	<u>5,684,800</u>
GRAND TOTAL OF INCOME . . . . .	<u>14,062,050</u>	<u>364,150</u>	<u>14,426,200</u>