



Twentieth session

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1965*

Eighth report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its twentieth session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the budget estimates for the financial year 1965 (A/5969).
2. The special circumstances which prevailed during the nineteenth session prevented the General Assembly from taking up the Secretary-General's initial budget estimates for 1965, his subsequent revisions thereto, and the related recommendations of the Advisory Committee.
3. In view of these circumstances the Secretary-General considered that consolidation of the estimates for 1965 in a single document would facilitate their consideration by the Fifth Committee and the General Assembly.
4. In submitting these estimates the Secretary-General gives an account of his actions in implementing the directives of the General Assembly contained in its resolution 2004 (XIX) of 18 February 1965 on interim financial arrangements and authorizations for 1965. Under the terms of this resolution, the Secretary-General was authorized to enter into commitments and to make payments at levels not to exceed, subject to statutory requirements, the corresponding commitments and payments for 1964. Additionally, within the over-all level of these limits he was authorized to transfer funds between categories of expenses and to enter into such minimum expenses as might be required for the purpose of financing certain new priority programmes and supporting services in 1965, notably in the

* Item 78 of the provisional agenda.

fields of trade and industrial development. The General Assembly also decided that, pending further decisions, the arrangements and authorizations with respect to unforeseen and extraordinary expenses and the Working Capital Fund as approved for the financial year 1964 should be considered as continuing in force.

5. The Secretary-General reports that the requirements of new priority programmes in the field of trade and development, the very heavy conference programme during the first half of 1965 and the mandatory increases authorized under the Staff Rules and Regulations relating to changes in post classifications, increases in general service, manual worker and local level salaries, as well as other staff costs of an obligatory nature, contribute to the total estimated financial requirements for 1965.

6. The appropriations requested by the Secretary-General for 1965 are estimated at \$107,642,800, representing an increase of \$4,693,823 over the total obligations and expenditures incurred in 1964. However, the Secretary-General states that an amount of some \$4,693,000 is attributable to statutory and mandatory requirements within the intent of General Assembly resolution 2004 (XIX), as follows:

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(a) Requirements of an unforeseen and extraordinary nature (special missions and the International Court of Justice)	507,600
(b) Mandatory increases authorized under the Staff Rules and Regulations	3,160,000
(c) Mandatory rate and wage increases for continuing contractual services	67,000
(d) Increased payments for the amortization of United Nations bonds	827,500
(e) Additional expenses relating to reimbursement of travel and subsistence payments to representatives or members of United Nations organs and subsidiary bodies	<u>131,000</u>
Total	<u>4,693,100</u>

7. The Secretary-General reports that, in the absence of any clear definition of statutory requirements, he has taken a very restrictive approach and has included only those expenses of a mandatory nature incurred under specific authorizations

granted to him by the General Assembly. In this connexion the Advisory Committee would recall that, in its sixth report^{1/} to the General Assembly at its twentieth session on the budget estimates for 1966, it stated that it had taken no position on the interpretation of the use of the phrase "statutory requirements" in resolution 2004 (XIX), since it had no guidance as to the intention of the General Assembly in using this phrase.

8. The Advisory Committee notes that the Secretary-General has not included in his interpretation of statutory requirements, the additional costs resulting from the increase in the pensionable remuneration of all United Nations staff from a one-half to a full-gross basis on 1 March 1965 (\$495,000), additional requirements for the United Nations Conference on Trade and Development (\$517,000), and the substantial additional costs of servicing a much larger meetings programme in 1965 as compared with 1964 (\$600,000).

9. Income other than staff assessment is estimated by the Secretary-General at \$6,481,200 in 1965, as compared with actual income of \$6,299,871 in 1964, and income from staff assessment for 1965 at \$10,224,000 as compared with actual income of \$9,824,968 in 1964. Total income from all sources is therefore estimated at \$16,705,200 for 1965 as compared to actual income of \$16,124,839 for 1964, or an increase of \$580,361.

10. The Advisory Committee has examined the Secretary-General's revised estimates for 1965 and notwithstanding its comments in paragraph 7 above, recommends the adoption by the General Assembly of the Secretary-General's draft resolution A for budget appropriations for the financial year 1965 in the amount of \$107,642,800, draft resolution B on the income estimates for the financial year 1965 in the amount of \$16,705,200 and draft resolution C on financing of appropriations for the financial year 1965, contained in the annex to document A/5969.

11. In recommending General Assembly approval of the Secretary-General's revised estimates for 1965, the Advisory Committee wishes to point out that any requirement of an unforeseen and extraordinary nature incurred prior to 31 December 1965, may lead to additional expenditure in 1965. In this connexion the Committee was given to understand that, provided such requests are not unduly large, it is the

^{1/} Official Records of the General Assembly, Twentieth Session, Supplement No. 7 (A/6007), para. 18.

Secretary-General's intention to meet them from within the total appropriations requested in document A/5969. The Committee would also express the hope that, in view of the difficult financial situation, the Secretary-General will contain total expenses for 1965 to the absolute minimum, and will find it possible to effect additional savings in the over-all budget estimates for 1965.
