



Twentieth session
Agenda item 75

SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1964

Report of the Fifth Committee

Rapporteur: Mr. Vladimír PRUSA (Czechoslovakia)

1. At the 1063rd and 1064th meetings, held on 30 September 1965, the Fifth Committee examined the supplementary estimates for 1964, on the basis of reports submitted in August and September 1965 by the Secretary-General (A/5948) and the Advisory Committee on Administrative and Budgetary Questions (A/5994), whose 1964 reports on the item (A/5747 and Corr.1 and 2; A/5787) were also before the Committee.
2. The following table shows the supplementary estimates, under the expenditure and income headings:

	Recommendations of the Secretary-General and the Advisory Committee (A/5948; A/5994)	Fifth Committee's recommendations to the General Assembly
United States dollars		
EXPENDITURE		
Revised estimates	1,621,377	1,621,377
1964 appropriation (General Assembly resolution 1984 A (XVIII))	101,327,600	101,327,600
Revised estimates for 1964	<u>102,948,977</u>	<u>102,948,977</u>
INCOME		
<u>Part I, Income from staff assessment</u>		
Approved estimate (General Assembly resolution 1984 B (XVIII))	9,488,400	9,488,400
Estimated increase	<u>336,568</u>	<u>336,568</u>
Revised estimate for 1964, Part I	9,824,968	9,824,968
<u>Part II, Other income</u>		
Approved estimate (General Assembly resolution 1984 B (XVIII))	5,698,400	5,698,400
Estimated increase	<u>601,470</u>	<u>601,470</u>
Revised estimate for 1964, Part II	6,299,870	6,299,870
Total revised estimates of income for 1964	<u>16,124,838</u>	<u>16,124,838</u>

3. For purposes of comparison, there are set out below the original appropriations for 1964 (General Assembly resolution 1984 (XVIII) of 17 December 1963); the total revised estimates for 1964 as initially recommended by the Advisory Committee in November 1964 (A/5787); and the corresponding actual figures for 1964 as certified by the Board of Auditors (A/6006, statements I and II; schedule 2):

	<u>A</u>	<u>B</u>	<u>C</u>	<u>C</u>
	Original appropriations (General Assembly resolution 1984 (XVIII))	Total revised estimates as recommended by Advisory Committee in November 1964 (A/5787)	Actual obligations and income (A/6006)	compared with A (increase)
		United States dollars		
Expenditure	101,327,600	103,666,460	102,948,977	1,621,377
Income:				
Staff assessment	9,488,400	9,838,400	9,824,968	336,568
Other	5,698,400	6,054,400	6,299,870	601,470

4. Reference was made in the course of the discussion to the abnormal situation in which the Committee was called upon to examine the supplementary estimates ex post facto. If that situation, as impairing the function of control, was to be deplored, it did at least enable the Committee to see, at the time of review, the precise extent to which its original recommendations on the 1964 budget had been either too liberal or too stringent.

5. It was pointed out that the figures in draft resolution A (A/5948, annex III) revealed that savings had been achieved by comparison with the supplementary estimates initially submitted to the General Assembly at the nineteenth session (A/5747; A/5787). It was also reassuring that, in spite of a major financial crisis, the United Nations had been able to fulfil all its obligations to the staff: that fact demonstrated the soundness of the Organization and of its budgetary system. The Committee owed a special debt of gratitude to the Advisory Committee for the strict control which it had exercised over the

budget estimates. Questions concerning the manning-table of the Secretariat, the possible winding-up of some of the special missions, and the propriety of certain general expenses (referred to in paragraph 8 below) might be left for discussion in connexion with the 1965 and 1966 estimates.

6. It was suggested that (a) the Advisory Committee should in future make a much fuller examination of the mid-year expenditure figures; (b) that a more restrictive formulation of the annual resolution on unforeseen and extraordinary expenses was called for; and (c) that the Secretary-General and the Advisory Committee might be invited to review the method of estimating income, with the object of reducing any large margin of error.

7. Stress was laid by some representatives on the propositions stated in paragraphs 8 and 9 of the Advisory Committee's 1964 report (A/5787); first, that it was a basic rule that the budget appropriations approved by the General Assembly set limits on expenditure; and that expenditure in excess of such limits should be considered only if it could not have been foreseen at the time the appropriations were approved and if it was of an extraordinary nature; secondly, that any such expenditure could be entered into only on the basis of prior General Assembly authorization.

8. The grounds on which some delegations based their opposition to the supplementary estimates were in summary as follows:

The submission of supplementary estimates, save in emergency situations calling for extraordinary expenditure, should be regarded as an abnormal practice. Yet, in almost every year since 1956, additional provision to an amount of between \$1 million and \$3 million had been requested. The appropriations originally authorized for 1964 at over \$101 million were the largest in the history of the Organization, and left ample margin for manoeuvre. With careful planning and the exercise of strict economy it should have been possible to meet all the unforeseen items within the budget limit. Thus, a more rational organization of the Secretariat and a substantial reduction of the unduly large manning-table would have yielded savings sufficient to offset unavoidable salary increases and obviate the over-expenditure of \$1.27 million under part II of the budget. Some of the appropriations had been included in the budget in violation of the Charter.

That was true in particular of the United Nations bond issue, the proceeds of which were used for ONUC and UNEF expenses (section 12), certain of the special missions (section 18) and the Field Service (section 19). Moreover, in view of changing conditions, some of those missions should have been disbanded. Expenses for the regular technical assistance programme (part V) should be excluded from the regular budget because that method of financing technical assistance led to the mismanagement of funds and a lack of impartiality in the use of experts and facilities. As regards section 20, the fact that the volume of work was increasing did not entitle the High Commissioner for Refugees to incur very heavy over-expenditure, without even seeking the prior concurrence of the Advisory Committee, and thereby set his own budgetary limit.

9. One delegation found it disturbing that certain representatives proposed to vote against the estimates for a variety of reasons, including the fact that the estimates included amounts required to pay for certain loans (section 12) and special missions (section 18). It had been hoped that, following the consensus of 1 September 1965, it would be possible to proceed at the current session on the assumption that items previously contested which affected the integrity of the regular budget would be paid and respected, and that were the threat of the application of Article 19 of the Charter removed with respect to the special accounts for UNEF and ONUC, the Members which had objected to its application would co-operate in restoring financial solvency. It was imperative, if the United Nations was to survive as an effective international instrument, that, on the one hand, its obligations to the sixty-four Member States which had subscribed to the bond issue should be honoured, and that, on the other, it should receive the contributions assessed for past expenditure in the regular budget. More generally, this delegation recognized the difficulties which the Secretariat had encountered in the last months of 1964. If the final 1964 figures, as being healthier than those recommended in November 1964 by the Advisory Committee, could be welcomed, it might at the same time be felt that the earlier recommendations had, by that token, been too liberal, and that a stricter examination of the figures would have been salutary. It was desirable, wherever reasonably possible, to limit supplementary provision to expenditure of a truly unforeseen and

extraordinary nature. Only in that way could the appropriating power of the General Assembly be upheld. Responsibility in this matter did not rest solely with the Advisory Committee; the various subsidiary bodies of the Assembly and the Councils should bear in mind that they had no authority to appropriate funds and should accordingly refrain from usurping a function reserved exclusively to the Assembly.

10. A member of the Committee considered that the financing of expenses connected with the United Nations bond issue (section 12, chapter V) should not be linked to the regular scale of assessment. Instead, either a scale based on the principles laid down in General Assembly resolution 1874 (S-IV) of 27 June 1963 or an ad hoc scale should be applied.

11. Another member felt that - consistently with the position taken by his delegation, particularly in the Special Committee on Peace-Keeping Operations - neither the expenses connected with the United Nations bond issue nor those connected with the special missions should be included in the regular budget. He suggested the establishment of a special refinancing fund designed to clear the accounts of the United Nations up to 31 December 1965.

DECISIONS OF THE FIFTH COMMITTEE

12. At the 1064th meeting, the Committee voted on the draft resolution (A/5948, annex III). Separate votes were taken on certain of the expenditure sections in part A. The result of the voting was as follows:

<u>Section</u>	<u>Amount</u> <u>United States</u> <u>dollars</u>	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
3	46,266,222	71	9	1
12	7,770,435	73	14	4
13	2,291,421	74	6	4
14	2,114,830	78	6	4
15	177,315	78	6	5
16	1,747,423	78	6	9
17	68,829	79	5	5
18	2,785,268	77	12	3
19	1,550,909	76	10	2

Draft resolution A as a whole was adopted by 77 votes to 10, with 2 abstentions.

Draft resolutions C and D were adopted without objection.

RECOMMENDATION OF THE FIFTH COMMITTEE

13. The Fifth Committee therefore recommends to the General Assembly the adoption of the following draft resolutions:

SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1964

A

Budget appropriations for the financial year 1964

The General Assembly

I. Resolves that for the financial year 1964 the amount of \$US101,327,600 appropriated by its resolution 1984 A (XVIII) of 17 December 1963 be increased by \$US1,621,377 as follows:

<u>Section</u>	Amount appropriated by resolution 1984 A (XVIII)	Supplementary appropriation	Revised amount of appropriation
<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 and members of commissions, committees and other subsidiary bodies	1,207,950	(102,303)	1,105,647
2. Special meetings and conferences	4,012,100	(169,620)	3,842,480
TOTAL, PART I	5,220,050	(271,923)	4,948,127

	Amount appropriated by resolution 1984 A (XVIII)	Supplementary appropriation	Revised amount of appropriation
<u>Part II, Staff costs and related expenses</u>			
3. Salaries and wages	45,233,980	1,032,242	46,266,222
4. Common staff costs	10,363,500	218,745	10,582,245
5. Travel of staff	1,989,900	32,635	2,022,535
6. Payments under annex I, paragraphs 2 and 3, of the Staff Regulations: Hospitality	105,000	(9,936)	95,064
TOTAL, PART II	57,692,380	1,273,686	58,966,066
<u>Part III, Buildings, equipment and common services</u>			
7. Buildings and improvements to premises	7,458,970	(216,054)	7,242,916
8. Permanent equipment	528,200	(5,121)	523,079
9. Maintenance, operation and rental of premises	3,610,000	11,923	3,621,923
10. General expenses	4,052,000	182,275	4,234,275
11. Printing	1,424,000	(14,303)	1,409,697
TOTAL, PART III	17,073,170	(41,280)	17,031,890
<u>Part IV, Special expenses</u>			
12. Special expenses	7,767,800	2,635	7,770,435
TOTAL, PART IV	7,767,800	2,635	7,770,435

	Amount appropriated by resolution 1984 A (XVIII)	Supplementary appropriation	Revised amount of appropriation
<u>Part V, Technical programmes</u>			
13. Economic development	2,250,000	41,421	2,291,421
14. Social activities	2,105,000	9,830	2,114,830
15. Human rights activities	140,000	37,315	177,315
16. Public administration	1,830,000	(82,577)	1,747,423
17. Narcotic drugs control	75,000	(6,171)	68,829
TOTAL, PART V	6,400,000	(182)	6,399,818
<u>Part VI, Special missions</u>			
18. Special missions	2,400,000	385,268	2,785,268
19. United Nations Field Service	1,525,700	25,209	1,550,909
TOTAL, PART VI	3,925,700	410,477	4,336,177
<u>Part VII, Office of the United Nations High Commissioner for Refugees</u>			
20. Office of the United Nations High Commissioner for Refugees	2,293,500	185,071	2,478,571
TOTAL, PART VII	2,293,500	185,071	2,478,571
<u>Part VIII, International Court of Justice</u>			
21. International Court of Justice	955,000	62,893	1,017,893
TOTAL, PART VIII	955,000	62,893	1,017,893
GRAND TOTAL	101,327,600	1,621,377	102,948,977

2. Authorizes the Secretary-General, notwithstanding the provisions of regulations 4.2, 4.3 and 4.4 of the Financial Regulations of the United Nations, to make payments in 1965, as necessary, from the amounts appropriated for 1964 for the following purposes:

(a) Printing of the final proceedings of the United Nations Conference on Trade and Development (section 2, chapter I) and of the Third International Conference on the Peaceful Uses of Atomic Energy (section 2, chapter II);

(b) The expansion of meeting-room facilities at Headquarters and for the development of the basement area of the General Assembly building (section 7, chapter IV (i));

3. Resolves that the unexpended balance of the 1964 appropriation of \$500,000 in respect of the United Nations building in Santiago, Chile (section 7, chapter III) shall be transferred on 31 December 1964 to the Santiago Building Fund established under General Assembly resolution 1692 (XVI) of 18 December 1961;

4. Resolves that appropriations for technical assistance programmes under part V of the budget shall remain available for twenty-four months following the end of the financial year 1964, to the extent that they are required to discharge obligations in respect of fellowship awards made during that year.

B

Income estimates for the financial year 1964

The General Assembly

Resolves that for the financial year 1964:

1. The estimates of income approved by its resolution 1984 B (XVIII) of 17 December 1963 shall be revised as follows:

	Estimate approved by resolution 1984 B (XVIII)	Increase or (decrease)	Revised estimate
<u>Section</u>			
<u>Part I, Income from staff assessment</u>			
1. Staff assessment income	9,488,400	336,568	9,824,968
TOTAL, PART I	9,488,400	336,568	9,824,968
 <u>Part II, Other income</u>			
2. Funds provided from extra- budgetary accounts	1,580,800	8,702	1,589,502
3. General income	1,348,600	389,839	1,738,439
4. Sale of United Nations postage stamps	1,400,000	303,982	1,703,982
5. Sale of publications	541,000	20,850	561,850
6. Services to visitors and catering services	828,000	(121,903)	706,097
TOTAL, PART II	5,698,400	601,470	6,299,870
GRAND TOTAL	15,186,800	938,038	16,124,838

2. The income from staff assessment shall be credited to the Tax Equalization Fund in accordance with the provisions of General Assembly resolution 973 (X) of 15 December 1955.

C

Financing of the appropriations for the financial year 1964

The General Assembly

Takes note of the action reported in paragraph 4 of the financial report for the year ended 31 December 1964^{1/} to the effect that the additional requirements for the financial year 1964 in the amount of \$1,621,377 were charged to surplus account as at 31 December 1964.

^{1/} Official Records of the General Assembly, Twentieth Session, Supplement No. 6 (A/6006).