



UNITED NATIONS  
GENERAL  
ASSEMBLY



Distr.  
GENERAL

A/7258  
8 October 1968

ORIGINAL: ENGLISH

Twenty-third session  
Agenda item 73

SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1968

Fifth report of the Advisory Committee on Administrative and Budgetary  
Questions to the General Assembly at its twenty-third session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the supplementary estimates for the financial year 1968 (A/7242).

General analysis of supplementary estimates

2. The Secretary-General's revised estimates of requirements under the expenditure sections of the budget for 1968 amount to \$142,057,750, representing an increase of \$1,626,800 over the total amount of \$140,430,950 appropriated by the General Assembly by resolution 2363 (XXII) of 19 December 1967.

3. The increased requirements are the result of anticipated over-expenditure under sections 3, 4, 5, 6, 8, 9, 10, 17, 18 and 19 in a total amount of \$2,781,900, which is partly offset by anticipated under-expenditure of \$1,155,100 under sections 2, 7, 11, 12, 20 and 21. The details of over-expenditure or under-expenditure anticipated by the Secretary-General are as follows:

<u>Section</u>	<u>Anticipated over-expenditure</u> \$US	<u>Anticipated under-expenditure</u> \$US
1. Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies . . .	-	-
2. Special meetings and conferences		551,800
3. Salaries and wages . . . . .	1,262,200	
4. Common staff costs . . . . .	259,000	

<u>Section</u>	<u>Anticipated over-expenditure</u> \$US	<u>Anticipated under-expenditure</u> \$US
5. Travel of staff . . . . .	46,000	
6. Payments under annex I, paragraphs 2 and 3, of the Staff Regulations; hospitality . . . . .	5,000	
7. Buildings and improvements to premises . . . . .		33,000
8. Permanent equipment . . . . .	170,400	
9. Maintenance, operation and rental of premises . . . . .	96,500	
10. General expenses . . . . .	240,000	
11. Printing . . . . .		41,000
12. Special expenses . . . . .		58,300
13-16. Technical programmes . . . . .	-	-
17. Special missions . . . . .	622,800	
18. Office of the United Nations High Commissioner for Refugees . . . . .	24,000	
19. International Court of Justice . . . .	56,000	
20. United Nations Conference on Trade and Development . . . . .		294,000
21. United Nations Industrial Development Organization . . . . .		177,000
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Totals	2,781,900	1,155,100
Less anticipated under-expenditure	1,155,100	
Supplementary appropriations requested by Secretary-General	1,626,800	

4. The report of the Secretary-General indicates that several factors have contributed to the anticipated over-expenditure shown above. Broadly speaking they are as follows:

- |   |         |
|---|---------|
|   | \$US    |
| (a) Additional requirements which necessitated recourse to General Assembly resolution 2364 (XXII) on unforeseen and extraordinary expenses in 1968 . . . . . | 442,100 |

	\$US
(b) Under-budgeting under sections 3 and 17 in respect of certain requirements which were known during the twenty-second session of the General Assembly, but for which no provision was made in the revised estimates . . . . .	470,000
(c) Inflationary pressures in various parts of the world which necessitated an adjustment in the rates of pay of general service and local staff, and in post adjustment classes . . . . .	700,000
(d) Under-estimation of requirements relating to entitlements under Staff Regulations and Rules . . . . .	350,000
(e) Rises in prices and rates of goods and services . . . . .	100,000

The balance of approximately \$740,000 is attributed to increased requirements arising out of certain developments in 1968 which could not have been foreseen during the twenty-second session of the General Assembly, and to other over-expenditure.

5. The additional commitments initially entered into under the terms of General Assembly resolution 2364 (XXII) on unforeseen and extraordinary expenses have been as follows:

(i) <u>Expenses incurred under paragraph 1 of resolution 2364 (XXII) with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions</u>	\$US
<u>Section 3, chapter III</u>	
Fees and costs of travel of the Special Rapporteur on <u>Apartheid</u> appointed by the Commission on <u>Human Rights</u> ; costs of consultants assisting him in the performance of his duties, and costs of contractual translation and typing related to the preparation of his report to the Commission at its twenty-fifth session	24,700
<u>Section 8, chapter IV</u>	
Costs of procurement of colour television equipment . . . . .	159,000
<u>Section 10, chapter III</u>	
Costs of publication of a pamphlet, in six languages, containing a summary of the first report of the Special Rapporteur on <u>Apartheid</u>	12,000

	\$US	
<u>Section 17, chapter V</u>		
Costs of activities during 1968 of the Ad Hoc Working Group of Experts established under resolution 2 (XXIII) of the Commission on Human Rights . . . . .	98,000	
<u>Section 17, chapter VIII</u>		
Costs related to the visit of the United Nations Council for Namibia to the area . . . . .	39,400	333,100
 (ii) <u>Expenses relating to the maintenance of peace and security incurred under the authority granted to the Secretary-General in paragraph 1 (a) of resolution 2364 (XXII)</u>		
<u>Section 17, chapter VI</u>		
United Nations Middle East Mission . . . . .		93,000
 (iii) <u>Expenses incurred under paragraph 1 (b) (i) of resolution 2364 (XXII)</u>		
<u>Section 19, chapter I</u>		
Ad hoc judges . . . . .		16,000
		442,100

The amount of \$20,000 expended under section 12, chapter XI (Assistance in cases of natural disaster), has not been included in the above table, because it relates to a section in which no over-expenditure is anticipated.

6. The amount of \$470,000 relating to requirements which were known during the twenty-second session of the General Assembly but which were not provided for in the revised estimates for 1968 is divided almost equally between sections 3 and 17. The under-budgeting under section 3 covers:

- (a) Cost of implementing the salary and post adjustment rates for the level of Under-Secretary-General, pursuant to General Assembly resolution 2369 (XXII); the Secretary-General had informed the Fifth Committee that the extra amount would be absorbed within the total appropriation under section 3, but that could not be achieved;

(b) Additional temporary assistance requirements in respect of (i) editorial staff for work on the official records of the twenty-second session of the General Assembly; (ii) verbatim reporters, typists and interpreters for the twenty-third session of the General Assembly; and (iii) security guards. The amount under-budgeted under section 17 relates to increases in rates of pay of administrative and technical services personnel which were implemented on 1 July 1967.

7. Of the total of \$700,000 under paragraph 4 (c) above, approximately \$300,000 is attributable to the introduction of class 6 post adjustment in New York on 1 July 1968; and \$400,000 to upward adjustments in the rates of pay of general service and local staff, the introduction of an extra class of post adjustment at Santiago, and other minor changes under section 3, chapters I and II, and section 17. The under-budgeting of \$330,000 in respect of entitlements under Staff Regulations and Rules has occurred under sections 4, 5, and 18.

8. An amount of some \$100,000 attributable to rises in prices and rates relate to goods and services under sections 9, 10 and 17.

9. The balance of over-expenditure amounts to some \$740,000 distributed between sections 3, 6, 8, 9, 10, 17 and 19. Included in this total are additional requirements arising out of the prolongation of the resumed twenty-second session of the General Assembly and of the session of the International Court of Justice, requirements attributable to meetings of the Security Council, extra expenses caused by the situation in the Middle East and Nigeria, and certain other expenses not subject to control by the Secretary-General.

10. Certain other elements in this over-expenditure of \$740,000 are, however, due neither to rises in prices and wages nor to additional requirements related to new developments in 1968. While it is difficult to identify this type of over-expenditure with absolute accuracy, the Advisory Committee feels that it accounts for at least a third of the above amount of \$740,000. The Committee believes that this over-expenditure should have been avoided as it was inconsistent with the decision of the General Assembly to hold down expenditures under certain sections of the budget.

11. As regards the sections under which the Secretary-General anticipates an under-expenditure totalling \$1,155,100, the Advisory Committee notes that this amount includes under-expenditure which is due to the postponement of certain activities until 1969, and which, therefore, cannot be regarded as savings. The items in question relate to section 2, chapters IV, VIII, X and XI, and sections 7, 11 and 21 and the total amount involved is just under \$400,000.

12. In his report on supplementary estimates for 1968, the Secretary-General also indicates that he anticipates increases of \$132,300 under staff assessment, and of \$182,700 under other income sections. Accordingly, he estimates that the net additional amount which needs to be covered by assessment of additional contributions on Member States will be \$1,311,800.

#### Observations on individual sections

##### Section 1: Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies

13. The Advisory Committee notes that the expenses under chapter I which relate to the Board of Auditors have risen appreciably in recent years. The Committee intends to discuss various aspects of this question with the Board, including the allocation of audit operations, in order to try and reduce the attendant expenditure.

##### Section 2: Special meetings and conferences

14. The Advisory Committee welcomes the savings effected under chapters II, III, VI, VII, XII and XIV as a result of more economical deployment of staff and other improved administrative arrangements.

##### Section 3: Salaries and wages

15. The main contributing factor to the total over-expenditure of \$1,262,200 under this section has been upward changes in remuneration due to inflationary pressures. The details of such increases in 1968 are as follows:

Chapter I

<u>Post classifications</u>	\$US
New York - from class 5 to class 6 on 1 July 1968 . . . . .	300,000
ECLA, Santiago - from class 0 to class 1 on 1 November 1967 . . . . .	50,000
<u>General service and manual worker salary rates</u>	
Geneva - retroactive increases to 1 January 1967 and 1 January 1968 in excess of the amount included in the budget appropriations for 1968 in respect of general service and manual worker staff . . . . .	87,000
Headquarters - increase on 1 June 1968 in excess of the amount included in the budget appropriations in respect of manual workers	22,600
ECLA - an increase on 1 January 1968 for Santiago, and anticipated with retroactive effect to 1 June for Mexico, in respect of local staff at those offices . . . . .	64,600
ECA - increase in local salary rates as of 1 November 1967 . . . . .	20,000
Incentive payment introduced on 1 November 1967 for general service staff in the language typing units of the Stenographic Service of the Office of Conference Services at Headquarters . . . . .	72,000

Chapter II

	\$
Increases in short-term rates of pay at Headquarters, including the introduction of gross daily rates for certain categories of staff	<u>63,000</u>
Total	679,200

16. A further over-expenditure of approximately \$250,000 is accounted for by under-budgeting in 1968 in respect of requirements for additional temporary assistance for editing the official records of the twenty-second session of the General Assembly, additional verbatim reporters, typists and interpreters needed for the twenty-third session, and a strengthening of the Security and Safety Section; and by the introduction of the new rates of pay for the level of Under-Secretary-General.

17. Leaving aside the amount of \$24,700 under chapter III, expended under the provisions of General Assembly resolution 2364 (XXII) on unforeseen and extraordinary expenses, there remains a balance of over-expenditure in the amount of approximately \$308,000, mostly under chapters II, III and IV. Part of this over-expenditure is attributed to circumstances beyond the Secretary-General's control. Having analysed the information submitted to it, the Advisory Committee feels, however, that between one third and one half of this amount constitutes over-expenditure on programmes and activities for which the necessary budgetary provisions had been made by the General Assembly. In this connexion, the Committee cannot agree with the argument that reductions made by the General Assembly in the number of established posts initially requested by the Secretary-General constitute by themselves a justification for exceeding approved appropriations.

Section 9. Maintenance, operation and rental of premises

18. The Advisory Committee notes that over-expenditure under this section includes an item of \$11,000 for "the essential overhaul of the radio transmitters" at Prangins, near Geneva, inasmuch as the equipment "represented a safety hazard to operating personnel". The Committee believes that such items should be included in a comprehensive long-term schedule of maintenance and repairs and should be provided for in the initial appropriations approved by the General Assembly.



19. As regards the rental of additional outside premises which was responsible for an over-expenditure of \$11,000, the Advisory Committee is of the opinion that such requirements ought to have been anticipated in the budget appropriations since they related to an approved programme of meetings.

Section 10. General expenses

20. The Advisory Committee notes with concern that, as can be seen in particular from paragraph 10.4 of the Secretary-General's report on the supplementary estimates, over-expenditure has been allowed to occur under this section in respect of normal activities provision for which is made in the budget.

Section 12. Special expenses

21. The Advisory Committee notes that two sessions are now scheduled for the selection committee on prizes for outstanding achievements in the field of human rights, with a consequential over-expenditure of \$5,000 under chapter IX. The Committee regrets that the preparatory arrangements have not been so organized as to enable the selection committee to conclude its work in the course of one session. The Advisory Committee recommends that a more economical procedure should be adopted in connexion with the next award of these prizes.

Section 17. Special missions

22. The estimate under chapter V, relating to the expenses of the Ad Hoc Working Group of Experts established by the Commission on Human Rights, amounts to \$138,000, i.e. \$98,000 more than the original appropriation of \$40,000. The Advisory Committee notes in this connexion that in paragraph 17.15 of his report the Secretary-General indicates that, in response to his request, under the terms of resolution 2364 (XXII) on unforeseen and extraordinary expenses in 1968, the Advisory Committee gave its concurrence in a maximum expenditure of \$130,800 for the activities of the Ad Hoc Working Group.

23. The Advisory Committee has now sought and obtained additional information from the Secretary-General as to the details of the expenditure. The Committee understands that although only four members of the Ad Hoc Working Group took part in the mission to Africa in August-September, they were **accompanied** by thirteen

members of the Secretariat. The Committee understands further that the total credit of \$138,000 being requested by the Secretary-General includes \$21,100 in respect of fees for members of the Group.

24. As regards the question of fees, the Advisory Committee would recall that, in its report on the budget estimates for 1969,<sup>1/</sup> it stated:

"... that it did not feel justified in concurring in the payment of fees to all members of the Working Group. Although the Committee had approved such payments in 1967, it had not at that time appreciated that persons who represented their Governments on the Commission on Human Rights and who were, in certain cases, also members of permanent missions, would be appointed to the Ad Hoc Group; indeed it assumed that the Group would be composed of non-governmental experts within the meaning of Economic and Social Council resolution 9 (II) of 21 June 1946, under the terms of which the action of the Commission on Human Rights was taken. When this assumption proved to be ill-founded the Advisory Committee considered that it would be more appropriate to treat the Ad Hoc Working Group as a subsidiary body of the Human Rights Commission at least in so far as the majority of the members were concerned. In consequence, the Advisory Committee concluded that due regard should be had to the position taken by the General Assembly at its sixteenth session on the recommendation of the Fifth Committee." <sup>2/</sup>

25. The Advisory Committee notes that under chapter IX the Secretary-General is requesting \$30,500 for expenses relating to the appointment of the Secretary-General's representative to assist in relief and humanitarian activities for the civilian victims of hostilities in Nigeria.

Section 20. United Nations Conference on Trade and Development

26. Despite the over-expenditure of \$73,000 under chapter I due to the extension of the second session of the Conference beyond the date originally set by the General Assembly, the section as a whole shows an anticipated under-expenditure of \$294,000. The main reasons accounting for this result are: a reduction in the number of sessions of expert and advisory bodies, with a consequential saving of \$100,000 under chapter II; a net under-expenditure of \$65,000 under chapter III because of a higher number of vacancies than had been anticipated; and an under-

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<sup>1/</sup> Official Records of the General Assembly, Twenty-third Session, Supplement No. 7 (A/7207), para. 278.

<sup>2/</sup> Ibid., Sixteenth Session, Annexes, agenda item 54, document A/5005, para. 10.

expenditure of \$110,400 under chapter X (Services provided by other offices of the United Nations) due to delays in recruitment and to reduced temporary assistance requirements.

Section 21. United Nations Industrial Development Organization

27. The constituent chapters of Section 21 show considerable variations compared with the approved appropriations. Although the Secretary-General anticipates an over-all under-expenditure of \$177,000 due to delays in recruitment and to the non-fulfilment of the publications programme, the Advisory Committee notes that the original appropriations under some chapters will be exceeded by 80 to 180 per cent. Thus, the requirements under chapter I (Third session of the Industrial Development Board and meetings of its subsidiary organs) are now estimated at \$140,000 as against the initial appropriation of \$50,000; the Secretary-General indicates that this is due, inter alia, to the fact that the Board held double the number of meetings on which the original estimates were based, and that there has been a large increase in the volume of documentation. Considerable over-expenditure has also been permitted under chapters VII (Permanent equipment), VIII (Maintenance, operation and rental of premises), and IX (General expenses); expenditure under these chapters, originally estimated at a total of \$385,000, is now expected to amount to \$790,000, i.e. more than double the approved appropriation. Within chapter III (Salaries and wages), the requirements for temporary assistance are now calculated at \$110,000, nearly double the original appropriation of \$60,000, and those for individual experts and consultants at \$388,000, nearly 50 per cent in excess of the appropriation of \$260,000. The Advisory Committee hopes that strenuous efforts will be made by all concerned to effect savings under these chapters between now and the end of the year.

28. The under-expenditure anticipated under chapter III, item (i) (Established posts (\$425,000)) is due to the difficulties and delays encountered by UNIDO in filling vacancies on its manning table. Out of a total professional establishment of 258 posts, only 213 are occupied, with appointments in progress for eleven additional posts; this means that as of the date of the Secretary-General's report one in six professional posts was vacant. Moreover, all but

five of these vacancies were in the substantive divisions. The under-expenditure of \$155,000 under chapter IV (Common staff costs) is also attributable to the number of vacancies. The under-expenditure under chapters X (Publications programme) and XI (International Symposium on Industrial Development) amounting to \$95,000 and \$226,000, respectively, is attributable to delays in the submission of the material intended for publication.

29. The Advisory Committee notes that, while the substantive work of UNIDO is behind schedule, its administrative and other "housekeeping" expenses continue to rise. It hopes that the necessary corrective steps will be taken by all concerned.

#### Recommendations of the Advisory Committee

30. The Advisory Committee has endeavoured in this report to provide an analysis of the types and causes of expenditures for which the Secretary-General is seeking authority in the supplementary estimates. Since much of this expenditure has already been incurred, the Committee has not attempted to recommend reductions on a section-by-section basis. Nevertheless, the Committee believes that, provided strenuous efforts are made by all concerned, significant savings can be achieved between now and the end of the year. In this connexion, the Committee notes that in recent years the approval of supplementary appropriations by the General Assembly was followed by an end-of-year surplus for the budget as a whole. The Committee accordingly recommends a reduction of \$270,000 (to be found so far as possible from economies in the sections for which over-expenditure is anticipated) in the amount of \$1,626,800 requested by the Secretary-General. If the General Assembly accepts this recommendation, the amount of \$140,430,950 appropriated for the financial year 1968 by resolution 2363 (XXII) of 19 December 1967 should be increased by \$1,356,800 to a total of \$141,787,750.

31. The Advisory Committee recommends further that the revised estimates of income proposed by the Secretary-General for 1968 in the total amount of \$23,950,000 should be increased by \$30,000 to a total of \$23,980,000, the increase to be applied to income section 4. Accordingly, the estimates of income in 1968 approved by General Assembly resolution 2363 B (XXII) should be adjusted as follows:

(a) Part I (Income from staff assessment) should be increased by \$132,300 to a total of \$14,753,000;

(b) Part II (Other income) should be increased by \$212,700 to a total of \$9,227,000.

32. After taking into account the increase of \$345,000 under income parts I and II, the net increase in expenditure for the financial year 1968 would amount to \$1,011,800.

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