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### SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1973

#### Report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its twenty-eighth session

1. In his report on the supplementary estimates for the financial year 1973 (A/9206), the Secretary-General, taking into account the expenditures and obligations incurred by the end of August 1973, estimates that requirements under the expenditure sections will exceed by \$8,115,000 the appropriations approved in General Assembly resolution 3044 A (XXVII) of 19 December 1972. The Secretary-General expects that shortfalls amounting to \$9,506,300 will arise under 15 budget sections, and that under-expenditures amounting to \$1,391,300 will occur under four others.
2. The Secretary-General states in his report that the foremost reason for the additional requirements "has been the progressive devaluation since the beginning of the year of the United States dollar" (A/9206, para. 2). The effects of currency revaluations have been further aggravated, the Secretary-General reports, "by the severe and rapid increase in the cost of living in almost all parts of the world in which the United Nations conducts its operations" (A/9206, para. 3).
3. Thus, increases due to the effects of devaluation are estimated by the Secretary-General at \$10,920,500, to which must be added commitments incurred under provisions of General Assembly resolution 3045 (XXVII) of 19 December 1972 on unforeseen and extraordinary expenses in 1973 amounting to \$505,200 (see following table). Despite rising costs, the Secretary-General has, however, found it possible, by careful husbandry of resources, to achieve savings of \$3,310,700 which partially offsets the increases described above, leaving a total increase of \$8,115,000.

Additional commitments incurred under resolution on  
unforeseen and extraordinary expenses (3045 (XXVII))

	\$
With prior concurrence of Advisory Committee. . . . .	159 000
Under Secretary-General's authority pursuant to:	
paragraph 1 (a) of resolution (maintenance of peace and security). . . . .	60 800
paragraph 1 (b) of resolution (ICJ). . . . .	66 400
paragraph 1 (c) and 1 (d) of resolution (disaster relief and planning) . . . . .	219 000
TOTAL . . . . .	<u>505 200</u>

4. The Advisory Committee welcomes the significant savings which the Secretary-General has achieved, but notes that these include \$1,213,000 for technical assistance contributions in unutilized non-convertible currencies, and \$346,900 appropriated for the transfer of the Division of Human Rights from New York to Geneva, which is now not expected to be expended during 1973; the latter item is more in the nature of deferred expenditures than of realized savings.

5. The estimates contained in the Secretary-General's report do not take account of the financial implications of the Fourth Committee's proposal (A/9174, para. 3) relating to item 23 (Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples), contained in document A/C.5/1529; nor do they include the financial implications of the draft resolution (A/9276, part I, para. 12) recommended by the Special Political Committee relating to item 103 (Effects of atomic radiation) calling for a study by the United Nations Scientific Committee on the Effects of Atomic Radiation, contained in document A/C.5/1542.

6. As regards the financial implications of the Fourth Committee's proposal, the Fifth Committee decided, at its 1566th meeting, to inform the General Assembly that, should it adopt the proposal and authorize the necessary expenditures, an additional appropriation of \$13,400 would be required under section 1 of the budget for the financial year 1973 (A/9175, para. 6). 1/

7. Concerning the draft resolution recommended by the Special Political Committee, the Fifth Committee decided, at its 1595th meeting, to inform the General Assembly that, should it adopt the draft resolution, 2/ additional

1/ The proposal was adopted by the General Assembly at its 2139th plenary meeting, on 2 October 1973.

2/ Adopted by the General Assembly as resolution 3063 (XXVIII).

requirements in the amount of \$26,600 would arise in the budget for the financial year 1973, "it being understood that the Advisory Committee on Administrative and Budgetary Questions would deal with these additional requirements in the context of its examinations of the supplementary estimates for the financial year 1973" (A/9290, para. 6). The outcome of the Special Political Committee's draft resolution is that the \$16,400 appropriation made under section 1 of the 1973 budget for the Scientific Committee on the Effects of Atomic Radiation, which the Secretary-General proposed to surrender (A/9206, annex II, para. 1.3) will now be required, together with an additional \$3,600 under section 1. An amount of \$6,600 will also be required under section 3, chapter III (ii) (thus decreasing the \$67,500 surplus predicted by the Secretary-General for that article).

8. The Advisory Committee has subjected the Secretary-General's supplementary estimates for the financial year 1973 to detailed review. After making the necessary adjustments to reflect the financial implications discussed in paragraphs 5, 6 and 7 above, it is prepared to concur in those estimates as follows:

<u>Section</u>	<u>Net increase (or decrease)</u> \$
1. Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies . . . . .	49 100
2. Special meetings and conferences . . . . .	215 300
3. Salaries and wages . . . . .	2 500 100
4. Common staff costs . . . . .	(18 300)
5. Travel of staff. . . . .	350 800
6. Payments under annex I, paragraphs 2 and 5, of the Staff Regulations: hospitality. . . . .	10 000
7. Construction, alteration, improvement and major maintenance of premises . . . . .	8 500
8. Permanent equipment. . . . .	21 000
9. Maintenance, operation and rental of premises. . . . .	434 800
10. General expenses . . . . .	915 000
11. Printing . . . . .	-
12. Regional and subregional advisory services . . . . .	(306 000)

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<u>Section</u>	<u>Net increase (or decrease)</u> \$
13. Economic development, social development and public administration; human rights advisory services; narcotic drugs control. . . . .	(907 000)
14. Industrial development . . . . .	-
15. United Nations Conference on Trade and Development . . . . .	1 306 300
16. United Nations Industrial Development Organization . . . . .	2 189 900
17. Special Missions . . . . .	365 500
18. United Nations High Commissioner for Refugees. . . . .	730 000
19. International Court of Justice . . . . .	247 500
20. Special expenses . . . . .	202 500
21. United Nations Environment Programme . . . . .	<u>(160 000)</u>
TOTAL. . . . .	<u>8 155 000</u>

9. The Advisory Committee draws attention, however, to one feature of the supplementary estimates for section 16 of the budget. The Secretary-General states in annex II, paragraph 16.4, of his supplementary estimates that a major factor giving rise to the need for additional requirements under this section "is the inability of UNIDO to achieve the estimated turnover provision which was included in the initial 1973 appropriations". The Advisory Committee has been informed that this is attributable to UNIDO's policy of initially charging all recruited staff to the regular budget even though some of these are to perform functions related to extrabudgetary posts. As a result, though the regular budget manning table is filled, there are, at present, 15 vacancies in extrabudgetary Professional posts. The Advisory Committee recommends that the Secretary-General should in future discourage this artificial practice.

10. At the time the supplementary estimates were prepared, the United Nations operational rate of exchange was 3.03 Swiss francs to the United States dollar. The Advisory Committee has been informed that as at 1 November 1973 the United Nations operational rate of exchange is 3.09 Swiss francs to the dollar. To the extent that for the rest of 1973 the Swiss franc/United States dollar rate of exchange remains above the ratio used in the preparation of the supplementary estimates, there should be savings expressed in dollar terms in expenditures incurred in November and/or December 1973. While the Secretary-General has not been able to provide the Committee with a quantification of these savings in terms of suggested reductions

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under various budget sections, the Committee expects a reduction in the loss on exchange under section 10, and to under-expenditures (in dollar terms) in the sections which include outlays in Swiss francs.

11. To offset the estimated additional expenditure of \$8,155,000 referred to in paragraph 8 above, the Secretary-General estimates that income can be increased by \$1,643,000. Of the latter amount, \$1,467,000 is expected from staff assessment, \$146,500 from general income and \$75,500 from revenue-producing activities less a decrease of \$46,000 in funds provided from extrabudgetary accounts. The Advisory Committee concurs in these estimates. Accordingly, the proposed net addition to the assessment level is \$6,512,000.

12. The Secretary-General considers that the net addition referred to above could be further reduced by the application, subject to the approval of the General Assembly, of the further net savings in the amount of \$685,298, which became apparent after the 1972 accounts were finally closed (\$255,046 in savings from 1972 expenditure appropriations; \$430,252 in increased income).

13. On this basis, the Advisory Committee recommends that the gross expenditure budget for 1973 should be set at \$233,820,374, and that the estimate of income for 1973 should be \$38,032,052 as recommended by the Secretary-General.

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