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## SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1968

### Report of the Fifth Committee

Rapporteur: Mr. Santiago MEYER PICON (Mexico)

1. At its 1235th, 1236th, 1237th, 1238th and 1239th meetings, held on 14, 15, 16 and 17 October 1968 respectively, the Fifth Committee considered the supplementary estimates for 1968 on the basis of the report of the Secretary-General (A/7242) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/7258).
2. In his report (A/7242) the Secretary-General requested credits that would increase the estimated expenditures for 1968 by \$1,626,800 to a total of \$142,057,750, and estimated income by \$315,000 to a total of \$23,950,000. The net increase to be covered by the assessment of contributions on Member States would therefore be \$1,311,800. In determining his request for additional credits, the Secretary-General took into account commitments in the amount of \$462,100 which had been initially entered into under the terms of General Assembly resolution 2364 (XXII) on unforeseen and extraordinary expenses for 1968, or within the provision of General Assembly resolution 2034 (XX) relating to United Nations assistance in cases of natural disaster. In addition, the Secretary-General's request included further increases of an unavoidable nature which had since become apparent, off-set by unexpended balances which were anticipated under a number of other budget headings.
3. In its related report (A/7258), the Advisory Committee recommended an increase of \$1,356,800 in the appropriations for 1968, a reduction of \$270,000 in the amount requested by the Secretary-General. On this basis, the amount appropriated

for 1968 would be increased to a total of \$141,787,750. In addition, the Advisory Committee recommended that the revised estimates of income proposed by the Secretary-General for 1968, totalling \$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. After taking into account the total increase of \$345,000 under all income sections, the net additional amount to be covered by assessed contributions by Member States would be \$1,011,800.

4. In recommending a total reduction of \$270,000 in the expenditure estimates submitted by the Secretary-General, the Advisory Committee did not attempt to suggest a distribution by sections of the budget since much of the additional expenditure had already been incurred. It felt, however, that the reduction could possibly be met by means of special economies to be sought during the balance of the year. The representative of the Secretary-General noted that for the same reason as that stated by the Advisory Committee and in the absence of any information additional to that used in forecasting the revised requirements for 1968, it was equally difficult for him at that time to make a distribution of the total reduction recommended. However, in order that the Fifth Committee might proceed to the vote on a section by section basis, he proposed, as a practical measure, that \$160,000 of the total be applied to section 3, and \$40,000 to section 4, since these sections jointly accounted for the major part of the supplementary requirements. The balance, namely \$70,000, could be divided equally between sections 20 and 21, where larger surpluses might well be anticipated. Although a few delegations were apprehensive of the possibility of further reductions affecting adversely the work programmes of the Organization and would have preferred the recommended reduction be applied to the budget as a whole, the suggestion put forth by the representative of the Secretary-General was generally accepted.

5. In the course of the discussion, some of the representatives observed that because of their complex and political nature United Nations activities did not lend themselves to rigorous financial management. In the view of one representative, present budgetary procedures, whereby the Secretary-General is required to present initial estimates one and one-half years prior to the final accounting for the year, precluded any rigid policy in respect of the submission of supplementary estimates.

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6. Some delegations, on the other hand, called attention to the unsatisfactory practice of the past few years whereby reductions approved by the General Assembly on the Advisory Committee's recommendation seemed to return to the Fifth Committee in the form of supplementary requests. A number of delegations were of the opinion that, in principle, a more comprehensive system of long-term planning would obviate the necessity of annual supplementary requirements and the habitual recurrence of a surplus on the over-all budget at the end of the financial year. Moreover, they maintained that unavoidable expenditure under certain sections of the budget should be met, as far as possible, by a judicious allocation of savings which accrued under other sections.
7. A number of representatives believed that much of the additional expenditure which had been incurred, such as that reflected under section 3 resulting from inflationary pressure which necessitated adjustment in the rates of pay to the staff, should have been foreseen at the time of the presentation of the budget estimates for 1968. In this connexion, several representatives stated that they were anxiously awaiting the Advisory Committee's recommendations on an appropriate definition of "unforeseen and extraordinary expenses" as requested by the General Assembly in its resolution 2370 (XXII).
8. Some delegations were seriously concerned with the size and nature of expenditures under section 17, and more specifically with those under chapter V in respect of the Ad Hoc Working Group of Experts established by resolution 2 (XXIII) of the Commission on Human Rights. These delegations associated themselves with the Advisory Committee's observations on the disproportion in size between the four-member Working Group sent to Africa to investigate the infringement of trade union rights and the accompanying staff of thirteen members of the Secretariat, as well as with the Committee's non-concurrence in the payment of fees to members of the Working Group who were simultaneously serving as representatives of their Governments. In this regard the representative of the Secretary-General suggested that there was not necessarily a relationship between the size of a body and its supporting staff since the same basic services, such as translation, interpretation and precis-writing, were required for all bodies, irrespective of their size. Referring to the payment of fees, he stated that the appointment of governmental representatives as members of the Working Group had not been foreseen; by the

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time this was known, the Secretary-General, in view of certain precedents, had decided not to discontinue the payment of these fees for the time being. However, the Secretary-General had undertaken a review of such situations and would present a detailed report to the Fifth Committee with the hope that the General Assembly would be able to give him specific guidance on similar cases in the future.

9. Referring to the implementation of duly authorized work programmes in the economic and social fields leading to the submission of supplementary estimates, certain representatives cited examples where they believed that priority programmes had been allowed to suffer because of lack of funds. They recalled that the reductions recommended by the Advisory Committee in the budget estimates for 1968 had been accepted on the assurance that such programmes would not be jeopardized. Taking into account the importance of these programmes for developing countries, the Secretary-General should be allowed to resort to supplementary appropriations for their continued implementation.

10. The Chairman of the Advisory Committee stated that there were usually several reasons why programmes could not be implemented, such as staff shortages, and other delays, and that it was unlikely that the sole reason in every case was lack of funds. He believed that the Secretary-General used his best judgement in applying the recommendation according to the priorities of programmes.

11. Regarding sections 20 and 21, relating to the United Nations Conference on Trade and Development and the United Nations Industrial Development Organization respectively, a number of delegations were concerned with the large savings which had accrued under some of the chapters while, at the same time, expenditures had greatly exceeded appropriations under other headings. They felt that although administrative costs could be expected to be high in the early stages of organization, the significance of these bodies in fulfilling the aspirations of developing countries in the fields of trade and industry was such that their work programmes should not be allowed to suffer because of delays in recruitment in respect of their substantive divisions. One representative suggested that the relevant observations of the Secretary-General and the Advisory Committee in their respective reports be brought to the attention of the governing bodies of UNCTAD and UNIDO.

12. Reservations were expressed by a number of delegations on a number of items under sections 12 and 17, including expenditures for the United Nations bond issue, the United Nations Cemetery in Korea and the United Nations Commission for the Unification and Rehabilitation of Korea. Another delegation was unable to support the provision under section 17 for the Ad Hoc Group of Experts appointed by the Human Rights Commission under its resolution 2 (XXIII) of 6 March 1967. Certain of these delegations considered the inclusion in the regular budget of the items to which they had referred to be in contravention of the Charter.

# DECISIONS OF THE COMMITTEE

13. At its 1237th, 1238th and 1239th meetings held on 15, 16 and 17 October 1968 respectively, the Committee voted, by section, on the revised estimates as follows:

<u>Appropriation section</u>	<u>Revised estimate</u> \$	<u>In favour</u>	<u>Against</u>	<u>Absten- tions</u>
2. Special meetings and conferences	2,385,300	69	0	0
3. Salaries and wages	60,523,000	68	7	2
4. Common staff costs	13,988,000	67	0	8
5. Travel of staff	2,228,500	68	0	8
6. Payments under annex I, paragraphs 2 and 3, of the Staff Regulations; hospitality	130,000	74	0	0
7. Buildings and improvements to premises	4,828,200	74	0	0
8. Permanent equipment	775,900	73	0	0
9. Maintenance, operation and rental of premises	4,231,500	70	0	4
10. General expenses	5,867,000	64	0	8
11. Printing	1,583,400	71	0	0
12. Special expenses	9,152,500	52	9	16
17. Special missions	6,652,400	58	10	9
18. Office of the United Nations High Commissioner for Refugees	3,493,000	70	0	9
19. International Court of Justice	1,412,350	79	0	0
20. United Nations Conference on Trade and Development	8,846,000	85	0	0
21. United Nations Industrial Development Organization	8,020,000	85	0	0

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14. Since no change was proposed in the level of the original appropriations under sections 1, 13, 14, 15 and 16 the Committee took no vote on these sections of the budget.

15. The Committee approved by 74 votes to 1, with 10 abstentions, part A of a draft resolution on supplementary estimates for the financial year 1968, thereby recommending to the General Assembly a revised appropriation of \$141,787,750 for the financial year 1968.

16. The Committee adopted unanimously part B of the same draft resolution establishing a revised estimate of income for the financial year 1968 totalling \$23,980,000.

# RECOMMENDATIONS OF THE FIFTH COMMITTEE

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

## Supplementary estimates for the financial year 1968

### A

## Budget appropriations for the financial year 1968

### The General Assembly

### Resolves that for the financial year 1968:

1. The amount of \$US140,430,950 appropriated by its resolution 2363 (XXII) of 19 December 1967 shall be increased by \$US1,356,800 as follows:

Section	Amount appropriated by resolution 2363 A (XXII) \$	Increase (or decrease) \$	Revised appro- priation \$
<u>Part I. Sessions of the General Assembly, the councils, commissions and committees; special meetings and conferences</u>			
1. Travel and other expenses of repre- sentatives and members of commissions, committees and other subsidiary bodies . . . . .	1,270,700	-	1,270,700
2. Special meetings and conferences . .	2,937,100	(551,800)	2,385,300
TOTAL, PART I . . . . .	4,207,800	(551,800)	3,656,000

Section	Amount appropriated by resolution 2363 A (XXII)	Increase (or decrease)	Revised appro- priation
	\$	\$	\$
<u>Part II. Staff costs and related expenses</u>			
3. Salaries and wages . . . . .	59,420,800	1,102,200	60,523,000
4. Common staff costs . . . . .	13,769,000	219,000	13,988,000
5. Travel of staff . . . . .	2,182,500	46,000	2,228,500
6. Payments under annex I, paragraphs 2 and 3 of the Staff Regulations; hospitality . . . . .	125,000	5,000	130,000
TOTAL, PART II . . . . .	75,497,300	1,372,200	76,869,500
<u>Part III. Premises, equipment, supplies and services</u>			
7. Buildings and improvements to premises	4,861,200	(33,000)	4,828,200
8. Permanent equipment . . . . .	605,500	170,400	775,900
9. Maintenance, operation and rental of premises . . . . .	4,135,000	96,500	4,231,500
10. General expenses . . . . .	5,627,000	240,000	5,867,000
11. Printing . . . . .	1,624,400	(41,000)	1,583,400
TOTAL, PART III . . . . .	16,853,100	432,900	17,286,000
<u>Part IV. Special expenses</u>			
12. Special expenses . . . . .	9,210,800	(58,300)	9,152,500
TOTAL, PART IV . . . . .	9,210,800	(58,300)	9,152,500
<u>Part V. Technical programmes</u>			
13. Economic development, social development and public administration . . . . .	5,113,600	-	5,113,600
14. Industrial development . . . . .	991,400	-	991,400
15. Human rights advisory services . . . . .	220,000	-	220,000
16. Narcotic drugs control . . . . .	75,000	-	75,000
TOTAL, PART V . . . . .	6,400,000	-	6,400,000

<u>Section</u>	Amount		
	appropriated by resolution 2363 A (XXII)	Increase (or decrease)	Revised appro- priation
	\$	\$	\$
<u>Part VI. Special missions</u>			
17. Special missions . . . . .	6,029,600	622,800	6,652,400
TOTAL, PART VI . . . . .	6,029,600	622,800	6,652,400
<u>Part VII. Office of the United Nations High Commissioner for Refugees</u>			
18. Office of the United Nations High Commissioner for Refugees . . . . .	3,469,000	24,000	3,493,000
TOTAL, PART VII . . . . .	3,469,000	24,000	3,493,000
<u>Part VIII. International Court of Justice</u>			
19. International Court of Justice . . . . .	1,356,350	56,000	1,412,350
TOTAL, PART VIII . . . . .	1,356,350	56,000	1,412,350
<u>Part IX. United Nations Conference on Trade and Development</u>			
20. United Nations Conference on Trade and Development . . . . .	9,175,000	(329,000)	8,846,000
TOTAL, PART IX . . . . .	9,175,000	(329,000)	8,846,000
<u>Part X. United Nations Industrial Development Organization</u>			
21. United Nations Industrial Development Organization . . . . .	8,232,000	(212,000)	8,020,000
TOTAL, PART X . . . . .	8,232,000	(212,000)	8,020,000
GRAND TOTAL . . . . .	140,430,950	1,356,800	141,787,750

2. The Secretary-General shall be authorized to transfer credits between sections of the budget with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions;

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3. The appropriations for technical assistance programmes under part V shall be administered in accordance with the Financial Regulations of the United Nations, except that the definition of obligations and the period of validity of obligations shall be in accordance with the procedures and practices established for the Technical Assistance component of the United Nations Development Programme;

4. The provisions under sections 1, 3, 5 and 11, in a total amount of \$239,200 related to the International Narcotics Central Board and Drug Supervisory Body, shall be administered as a unit;

5. The provisions under sections 1, 3, 4, 5, 6 and 10, in a total amount of \$565,100 relating to the United Nations Joint Staff Pension Board and the United Nations Staff Pension Committee, shall be administered in accordance with article XXVII of the Regulations of the United Nations Joint Staff Pension Fund;

6. In addition to the appropriations voted under paragraph 1 above, an amount of \$19,000 is appropriated from the accumulated income of the Library Endowment Fund for the purchase of books, periodicals, maps and library equipment and such other expenses of the Library at the Palais des Nations as are in accordance with the objects and provisions of the endowment.

B

Income estimates for the financial year 1968

The General Assembly

Resolves that:

1. The estimates of income for the financial year 1968, approved by its resolution 2363 B (XXII) of 19 December 1967, shall be revised as follows:

	Estimate approved by resolution 2363 B (XXII)	Increase (or decrease)	Revised estimate
	\$	\$	\$
<u>Income section</u>			
<u>Part I. Income from staff assessment</u>			
1. Staff assessment income . . . . .	<u>14,620,700</u>	<u>132,300</u>	<u>14,753,000</u>
TOTAL, PART I . . . . .	<u>14,620,700</u>	<u>132,300</u>	<u>14,753,000</u>

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	Estimate approved by resolution 2363 B (XXII)	Increase (or decrease)	Revised estimate
	\$	\$	\$
<u>Income section</u>			
<u>Part II. Other income</u>			
2. Funds provided from extra-budgetary accounts . . . . .	2,436,150	(27,600)	2,480,550
3. General income . . . . .	3,901,000	76,600	3,977,600
4. Revenue-producing activities . . . . .	<u>2,677,150</u>	<u>163,700</u>	<u>2,840,850</u>
TOTAL, PART II . . . . .	<u>9,014,300</u>	<u>212,700</u>	<u>9,227,000</u>
GRAND TOTAL . . . . .	<u>23,635,000</u>	<u>345,000</u>	<u>23,980,000</u>

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.

3. Direct expenses of the United Nations Postal Administration, services to visitors, catering and related services, television services and the sale of publications, not provided for under the budget appropriations, shall be charged against the income derived from those activities.

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