

UNITED NATIONS

GENERAL ASSEMBLY



GENERAL

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Fifth session

Agenda item 38 (b) and (c)

STATUS OF BUDGETARY AUTHORIZATIONS FOR THE FINANCIAL YEAR 1950:

ADVANCES FROM THE WORKING CAPITAL FUND AND UNFORESEEN AND EXTRAORDINARY EXPENSES FOR 1950

Report of the Secretary-General

1. The General Assembly at its fourth session authorized the Secretary-General to take the following action under the terms of resolution 357 (IV) and 358 (IV) respectively:

- (i) To enter, under certain conditions, into commitments to meet unforeseen and extraordinary expenses during the year 1950;
- (ii) To advance funds from the Working Capital Fund for the above-mentioned purposes, as well as to finance various revolving funds, to make loans to specialized agencies and to make advances for certain other purposes.

2. Following the procedure adopted last year, the present report is divided into three parts, as follows:

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PART I - UNFORESEEN AND EXTRAORDINARY EXPENSES

3. By the terms of resolution 357 (IV) (Unforeseen and extraordinary expenses):

"The Secretary-General, with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, and subject to the financial regulations of the United Nations, is authorized to enter into commitments to meet unforeseen and extraordinary expenses; provided that

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the concurrence of the Advisory Committee shall not be necessary for:

- "(a) Such commitments not exceeding a total of \$2,000,000, if the Secretary-General certifies that they relate to the maintenance of peace and security or to urgent economic rehabilitation;
- "(b) Such commitments as may be necessary to provide for reasonable expenses for the proposed Economic Commission for the Middle East, should the Economic and Social Council decide that this Commission shall be created in 1950;
- "(c) Such commitments as may be necessary to provide for expenses of meetings of the Economic and Social Council should the Council, having reconsidered the question of its place of meeting in the light of the debates in the General Assembly, confirm its decision to hold its eleventh session at Geneva;
- "(d) Such commitments, duly certified by the President of the International Court of Justice, relating to expenses occasioned:
 - (i) By the designation of ad hoc judges (Statute, Article 31),
 - (ii) By the appointment of assessors (Statute, Article 30) or of witnesses and experts (Statute, Article 50),
 - (iii) By the holding of sessions of the Court away from The Hague (Statute, Article 22),and which do not exceed \$24,000; \$25,000 and \$75,000 respectively, under each of these three headings."

4. In September 1950, the Secretary-General obtained the concurrence of the Advisory Committee on Administrative and Budgetary Questions for an advance from the Working Capital Fund for the purchase of some of the permanent equipment included in the budget estimates for 1951, the procurement of which is necessitated by the earlier move of the Secretariat into the new Headquarters. The Secretary-General is now entering into commitments which are expected to total \$315,000 and will provide for the purchase and delivery by 31 December 1950 of office furniture and equipment amounting to \$198,500, reproduction equipment such as offset presses totalling \$60,000, library equipment including book-stacks and shelving amounting to \$43,800 and photographic and motion picture equipment not exceeding \$12,000.

/The Secretary-General

The Secretary-General will submit supplementary estimates for 1950 to cover these commitments and the 1951 budget estimates will be correspondingly reduced. An exception will, however, be requested for the programme of library equipment for which a reduction of \$27,300 only will be proposed instead of \$43,800, in order to complete the purchase of the total equipment in 1951 instead of in 1952 and to benefit by the reduction in price which would be gained under the procurement contract now in process of completion.

5. Commitments during 1950 were also entered into by the Secretary-General under sub-paragraphs (a) and (c) of the above-mentioned resolution. These commitments, the details of which are noted below, total \$442,300. The Secretary-General will submit supplementary estimates for 1950 to cover these commitments, as it is not possible to absorb them within the 1950 regular budget appropriations.

(i) Commitments relating to the maintenance of peace and security or to urgent economic rehabilitation (sub-paragraph (a) of the resolution)

After the outbreak of hostilities in Korea, and acting under the authorization of the Security Council with respect to United Nations forces to repel the aggression in South Korea, the Secretary-General appointed a personal representative together with staff, in addition to the regular members and staff of the United Nations Commission on Korea. An aeroplane had to be purchased and additional offices opened in Tokyo and Pusan. This expansion of the United Nations activities in Korea in the interest of the maintenance of international peace and security necessitated unforeseen expenditure estimated to reach a total of \$300,000 by the end of the present year, of which about \$50,000 was to be provided for staff to organize and supervise relief for civilian war refugees in Korea. Accordingly, the Secretary-General authorized an advance of \$300,000 in August 1950 for the above purpose, as a charge on the Working Capital Fund.

(ii) Commitments in respect of the eleventh session of the Economic and Social Council at Geneva (sub-paragraph (c) of the resolution)

The Economic and Social Council, at its tenth session, confirmed its decision taken at the ninth session to hold its eleventh session at Geneva. Accordingly, in May 1950, the Secretary-General authorized the advance of sums up to \$142,300 from the Working Capital Fund to finance the eleventh session of the Economic and Social Council at Geneva.

PART II - REVOLVING FUNDS AND RECOVERABLE ADVANCES

6. The Secretary-General is authorized, under General Assembly resolution 358 (IV) to advance from the Working Capital Fund:

"(i) Such sums as may be necessary to finance budgetary appropriations pending receipt of contributions; sums so advanced shall be reimbursed as soon as receipts from contributions are available for the purpose (paragraph 4(a) of the resolution).

"(ii) Such sums as, together with net sums outstanding for the same purposes, do not exceed \$250,000 to continue the revolving fund to finance miscellaneous self-liquidating purchases and activities. Advances in excess of the total of \$250,000 may be made with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions. The Secretary-General shall submit, with the annual accounts, an explanation of the outstanding balance of the revolving fund at the end of each year (paragraph 4(c) of the resolution).

"(iii) Such sums as, together with the sums previously advanced and outstanding for the same purpose, do not exceed \$500,000 to continue the Staff Housing Fund in order to finance advance rental payment, guarantee deposits and working capital requirements for housing the staff of the Secretariat. Such advances shall be reimbursed to the Working Capital Fund following the recovery of the rental advances, guarantee deposits and working capital advances" (paragraph 4(d) of the resolution).

7. Advances made during 1950 under each of the above items are dealt with in detail below:

(i) Advances to finance budgetary appropriations pending receipt of contributions

Advances under this head amounted to \$4,492,193 at 31 March, \$5,690,667 at 31 May, \$7,838,210 at 31 July, and reached \$9,354,594 at the end of August 1950. These advances have since been repaid, following the receipt of contributions from Members.

/(ii) Advances to

(ii) Advances to continue revolving funds to finance miscellaneous self-liquidating purchases and activities

The position of advances made under this head as of 31 August 1950 was as follows:

<u>Purpose</u>	Limit of outstanding amounts authorized by the Secretary- General as at 31 August 1950	Actual outstanding amount as at 31 August 1950
	<u>Dollars (US)</u>	<u>Dollars (US)</u>
(a) Advances to finance on a reimbursable basis travel and related expenses of members of certain Commissions of investigation, conciliation, etc., operating in the field	30,000	5,335
(b) Advances to finance on a reimbursable basis travel of additional representatives to the General Assembly, the Councils and Commissions, and additional local transportation for delegations	100,000	46,047
(c) Empire State Building operating account	20,000	7,538
(d) Operating capital for the cafeteria	25,000	25,000
(e) Revolving fund to finance travel of staff loaned to specialized agencies and other bodies (as approved from time to time)	41,000	20,408
(f) Revolving fund to finance miscellaneous self-liquidating purchases and activities (as approved from time to time)	12,250	1,916
	<u>\$228,250</u>	<u>\$106,244</u>

/(a) Advances

- (a) Advances to finance on a reimbursable basis travel and related expenses of members of certain Commissions of investigation, conciliation, etc., operating in the field
- (b) Advances to finance on a reimbursable basis travel of additional representatives to the General Assembly, the Councils and Commissions, and additional local transportation for delegations

As a matter of convenience to Members, and in order to ensure priority of transportation, the United Nations has arranged, at the request of the Governments concerned, for travel for Members' "extra" representatives to the General Assembly and for representatives to Councils, to commissions of investigation, conciliation, etc., operating in the field and more generally to all United Nations organs for which transportation fares are borne by governments. In such cases, Members agree to reimburse the United Nations for costs of travel.

- (c) Empire State Building operating account

This fund provides for payment of rental and for miscellaneous alterations made to space occupied by delegations in the Empire State Building. Such payments are reimbursable by delegations, according to the space occupied.

- (d) Operating capital for the cafeteria

This fund is used to finance inventory supplies in the cafeteria, lounges and merchandizing counters at Lake Success and Flushing Meadows.

- (e) Revolving fund to finance travel of staff loaned to specialized agencies and other bodies (as approved from time to time)

This fund provides for travel expenses of United Nations staff members who are loaned to specialized agencies, etc., for short periods of time on a reimbursable basis.

- (f) Revolving fund to finance miscellaneous self-liquidating purchases and activities (as approved from time to time)

This fund is used to finance miscellaneous self-liquidating purchases, e.g. standard equipment, such as shirts and shoes for resale to guards; books, photographic postcards concerning the United Nations for resale by the United Nations bookshop, etc.

(iii) Advances to continue Staff Housing Fund in order to finance advance rental payments, guarantee deposits, etc.

Actual outstanding advances on 31 August 1950 under this head stood at \$407,545, accounted for primarily by the \$400,000 guarantee deposit made by the United Nations in respect of the Parkway Village apartment project made available for occupancy by the United Nations Secretariat and Delegation personnel. The balance of \$7,545 represents advance rental payments in connexion with similar apartment units made available in the Creak Neck housing project.

PART III - LOANS TO SPECIALIZED AGENCIES

8. The General Assembly, by resolution 358(IV), paragraph 4(d), authorized the Secretary-General to advance from the Working Capital Fund, subject to certain conditions, "loans to specialized agencies and preparatory commissions of agencies to be established by inter-governmental agreement under the auspices of the United Nations to finance their work, pending receipt by the agencies concerned of sufficient contributions under their own budgets."

Loans to specialized agencies authorized at 31 August 1950 stood as follows:

<u>Agency</u>	<u>Amount</u> Dollars (U.S.)
(1) International Trade Organization - Interim Commission	346,490
(ii) Preparatory Commission of the Inter-Governmental Maritime Organization	15,000
(1) <u>International Trade Organization - Interim Commission</u>	

By resolution 244(III), the General Assembly provided that the expenses of the United Nations Conference on Trade and Employment, until the creation of the Interim Commission of the International Trade Organization at Havana, amounting to \$779,642 should be borne by the United Nations. This sum did not include loans amounting to \$166,490 made in 1948 to the Interim Commission. The resolution provided for additional loans to the Interim Commission not exceeding \$30,000 for the period 1 November 1948 to 31 December 1948, and not exceeding \$344,843 for the period 1 January to 31 December 1949. The resolution further requested the Secretary-General, in making such loans, to indicate that all loans already made, and those which might be made under the resolution, should be repayable within two years from the date the loans were made. Subsequently, the General Assembly, by resolution 358(IV), paragraph 4(d), authorized the Secretary-General, to grant an extension of one year to the Interim Commission of the International Trade Organization for the repayment of the 1948 loans. The status of outstanding loans to the Interim Commission, including the loans amounting to \$166,490, already made under the Working Capital Fund authorization for 1948, was as follows at 31 August 1950:

/Date of loan

<u>Date of loan</u>	<u>Amount</u>	<u>Dates when repayments are due</u>
April 1948	\$ 86,490	July 1951
July 1948	20,000	July 1951
December 1948	30,000	July 1951
March 1949	100,000	November 1951
August 1949	50,000	December 1951
	<u>\$346,490</u>	

Of the total of \$346,490 authorized, advances amounting to \$264,013 have been made up to 31 August 1950. It is to be noted that the dates of repayments are reckoned with reference to the dates on which funds commenced to be drawn under each separate authorization.

(11) Preparatory Commission of the Inter-Governmental Maritime Consultative Organization

The loan authorized for the Preparatory Commission of the Inter-Governmental Maritime Consultative Organization has been credited to that organization on the books of the United Nations, but not advanced in cash. In view of the small amount of Secretariat work envisaged by the Preparatory Commission, services are provided by the United Nations Secretariat on a reimbursable basis. Charges approved to 31 August 1950 have amounted to \$1,352.

9. United Nations Relief and Works Agency for Palestine Refugees

The General Assembly, by resolution 358(IV), paragraph 4(g), authorized the Secretary-General to advance from the Working Capital Fund, "in consultation with the Advisory Committee on Administrative and Budgetary Questions, such sums up to \$5,000,000 for assistance to Palestine refugees in accordance with the provisions of the resolution (302(IV)) adopted by the General Assembly at its 273rd plenary meeting on 8 December 1949." Accordingly, the Secretary-General, with the concurrence of the Advisory Committee, has made advances to the United Nations Relief and Works Agency for Palestine Refugees at its request, amounting to \$4,500,000 up to the end of August 1950. The Agency, during the same period, has made a part repayment of \$2,000,000, leaving an outstanding balance of \$2,500,000. It is expected that in accordance with the terms of General Assembly resolution 302(IV), this balance will be repaid not later than 31 December 1950.