**ARTICLE 17 (1)**

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The General Assembly shall consider and approve the budget of the Organization.

INTRODUCTORY NOTE

1. Certain actions of the General Assembly during its eleventh, twelfth and thirteenth sessions, which bear on material previously reported in the Repertory studies under Article 17 (1), are set out below under the former headings. Since, however, the major development during this period - the administrative and financial arrangements for the United Nations Emergency Force (UNEF) - does not lend itself to analysis under the former outline, a new section, "G. Special Account for the United Nations Emergency Force", has been added for the purpose. This new section is divided into four subsections: 1. Purpose and limits of the account; 2. Apportionment of costs between the United Nations and the participating States; 3. Preparation, presentation and approval of estimates; and 4. Financial administration.

2. Another aspect of the financial arrangements for UNEF, namely, the method of financing the appropriations, gave rise in certain quarters to the question whether the expenses for UNEF operations were "expenses of the Organization" within the meaning of Article 17 (2) of the Charter. The proceedings of the General Assembly relating to that aspect are therefore treated in the study of Article 17 (2) in this Supplement.
SUMMARY OF PRACTICE

A. The scope of the budget

1. What the budget comprises

3. At its eleventh session, the General Assembly discussed a number of proposals, submitted by the Secretary-General during both the tenth 1/ and the eleventh 2/ sessions of the General Assembly for changing the form of the United Nations budget. The Advisory Committee on Administrative and Budgetary Questions agreed 3/ to change the form of the budget on an experimental basis for two years, and the Administrative and Budgetary (Fifth) Committee subsequently endorsed 4/ the views of the Advisory Committee. Under the proposed revised form, 5/ the budget was to comprise three principal parts:

(a) Summary estimates in support of the proposed appropriations, divided into eight parts and twenty-two sections, compared with the former twelve parts and thirty-eight sections;

(b) An information annex containing a series of tables analysing the consolidated manning table in the following manner:
   (i) Distribution of posts by offices (Headquarters, Geneva and so on);
   (ii) Distribution of Headquarters posts by departments and offices;
   (iii) Distribution of Geneva Office posts by service or other administrative unit (together with additional tables for other offices away from Headquarters);

(c) A second information annex containing expanded information regarding the main fields of activity and showing costs which could be clearly identified with each such activity.

4. This new form simplified the presentation of the estimates and grouped together the credits approved for similar objects of expenditure. It was intended to give the Secretary-General increased flexibility in the use of staff resources and to provide further simplification in the review of budgetary matters by the General Assembly, without weakening financial control.

2. Revised budget estimates

5. At its eleventh session the General Assembly decided, 6/ on an experimental basis in relation to the estimates for the financial year 1958, to limit requests for additional appropriations for 1958 to those of the highest urgency and those arising from decisions of the Councils or the General Assembly. The decision was made on a

1/ G A (X), Annexes, a.i. 38 and 47, p. 44, A/C.5/639, para. 6.
5/ Ibid., p. 5, A/3372, para. 11.
6/ G A resolution 1096 (XI).
recommendation 7/ of the Fifth Committee, which discussed the matter in connexion with its consideration of the form of the budget.

6. Although originally the application of this decision of the General Assembly was to have been experimental in relation to the 1958 estimates, and although no formal action was taken by the General Assembly to extend its application, the limitation was accepted in practice. In his forewords to the 1959 and 1960 budget estimates, 8/ the Secretary-General indicated possible additions to the initial budget estimates by following the procedure laid down in General Assembly resolution 1096 (XI).

7. Later, at its fourteenth session, again on the recommendation of the Fifth Committee, the General Assembly adopted resolution 1449 (XIV), requesting all organs of the United Nations to consider ways and means whereby new projects might be deferred until suitable provision could be made for them in the main budget estimates for a subsequent financial year, unless they were of major and urgent importance or unless they could be accommodated within approved expenditure levels by postponement of projects of relatively low priority.

**3. Supplementary estimates

B. The process of considering and approving the budget

**1. The responsibility for the preparation and transmittal of the budget to the General Assembly

2. How the budget is considered and approved by the General Assembly

8. At its eleventh session the General Assembly considered an item 9/ introduced by the United Kingdom, which proposed a new procedure for the examination of the regular budget of the United Nations on an experimental basis. This procedure was described in a revised United Kingdom draft resolution 10/ as follows:

"Before examining in detail and approving individual appropriations requested in the regular budget estimates of the United Nations for the financial year in question, an over-all gross appropriation shall be decided for that financial year in relation to which all individual appropriations requested in respect of that financial year, other than appropriations which may subsequently become necessary in respect of unforeseen and emergency expenditure, will subsequently be considered."

9. During the discussion of the proposal by the Fifth Committee, 11/ general support was expressed for the purposes which it intended to achieve; but opinion was divided as to whether the proposed procedure was a feasible method of achieving the desired ends. After discussion, the Fifth Committee rejected 12/ the proposal by 30 votes to 23, with 11 abstentions.

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8/ G A (XIII), Suppl. No. 5 (A/3825), para. 13; G A (XIV), Suppl. No. 5 (A/4110), paras. 6, 20-23.
10/ Ibid., p. 3, A/3482, para. 18.
11/ Ibid., paras. 6-13. Other aspects of the United Kingdom proposal are dealt with in sections D 2 and D 4 below.
12/ Ibid., para. 21.
**3. Voting on the budget**

**C. Administration of the budget**

**1. The nature of the powers vested in the Secretary-General**

**2. Purposes of transfers within and between sections of the budget**

**3. Limits placed on transfers between sections of the budget**

D. Scope and extent of the powers of the General Assembly to approve expenditures


10. The rules of procedure of the Trusteeship Council, as amended up to and during its twenty-second session, 13/ incorporated a provision in rule 65 similar to that contained in regulation 13.1 of the Financial Regulations and Rules of the United Nations. 14/

11. By resolution 1122 (XI) the General Assembly authorized the Secretary-General to establish a United Nations Emergency Force Special Account and requested him to establish such rules and procedures for the Special Account as he might consider necessary to ensure its effective financial administration and control. Pursuant to this request, the Secretary-General, after consultation with the Advisory Committee on Administrative and Budgetary Questions, issued provisional financial rules for the UNEF 15/ in 1957.

2. Factors considered by the General Assembly in reviewing proposed expenditures

12. As indicated in the previous Repertory studies of Article 17 (1), a major factor of consideration in connexion with budget estimates was the question of priorities among the activities of the Organization in relation to their separate costs and total expenditures.

13. At the eleventh session of the General Assembly, in connexion with an item proposed by the United Kingdom on the "over-all total of the United Nations annual budget expenditure", the Fifth Committee agreed unanimously 16/ that the Secretary-General and the Advisory Committee should be requested to undertake a study regarding methods for implementing, by means of the budget, previous General Assembly resolutions recommending the establishment of a system of priorities. At the twelfth session of the General Assembly, the Fifth Committee had before it reports submitted on this subject by the Secretary-General 17/ and by the Advisory Committee. 18/

14. During the discussion by the Fifth Committee, 19/ it was made clear that the Advisory Committee had agreed with the Secretary-General that further action by the

13/ T/1/Rev.5 (United Nations Publication, Sales No.: 58.I.20).
15/ ST/SGB/UNEF/2. See also section G U below.
17/ G A (XII), Annexes, a.i. 41, p. 26, A/C.5/715.
18/ G A (XIII), Annexes, a.i. 41, p. 9, A/3752.
19/ Ibid., p. 65, A/3800, paras. 15 and 16.
Fifth Committee might be deferred, pending the outcome of two developments. The first was the adoption of a new form of United Nations budget, which would have a bearing on the application of priorities to work programmes. The second development arose out of the action taken by the Economic and Social Council at its twenty-fourth session in respect of the co-ordination of activities in the economic, social and human rights fields. After discussion, the Fifth Committee decided to take note of the Secretary-General's report and of the course of action that was proposed therein.

15. The questions of priorities, and of the effectiveness of services in relation to expenditures, were also considered by the General Assembly during the period under review in connexion with the public information activities of the United Nations. In its resolution 1086 (XI), the General Assembly recommended that the Secretary-General should set aside funds for the progressive establishment of information centres in new Member States, through savings elsewhere in the budget and by other administrative means. At the twelfth session of the General Assembly, the Advisory Committee on Administrative and Budgetary Questions repeatedly stressed that an inquiry into information activities should seek to determine whether available resources were utilized to the maximum possible extent to meet essential programmes, properly formulated in accordance with a valid system of priorities. By resolution 1177 (XII) the General Assembly requested the Secretary-General to appoint an expert committee of six individuals with practical administrative and financial experience in the various fields of information to undertake:

"... a review and appraisal of the work, the methods used and the effectiveness of the results achieved by the public information services of the United Nations (including the information centres), with a view to recommending possible modifications to ensure a maximum of effectiveness at the lowest possible cost ..."

16. In a memorandum submitted to this Committee of Experts on United Nations Public Information, the Secretary-General stated that the problem of curtailing expenditure seemed to have two main aspects: (a) whether existing activities could be carried on with greater husbandry; or (b) whether there should be less activity in any sphere. If the latter view were accepted, a careful analysis of the effectiveness of the various operations would be necessary. As a result of the discussion at its thirteenth session, the General Assembly adopted resolution 1535 (XIII), which again emphasized that the Secretary-General should give priority to the use of all media of information to ensure maximum effectiveness at the lowest possible cost.

20/ The report of the Fifth Committee (ibid., para. 16) stated that: "... The Council decided in resolutions 664 B (XXIV) and 665 C (XXIV) of 1 August 1957:

"(a) to approve proposals of the Secretary-General for the streamlining of the Council's programme of work (E/3011 and Add.1 and 2) as well as the guiding principles on which those principles were based; (b) to request the Secretary-General, in the light of those principles, to make a general appraisal of the scope, trend and cost of the regular United Nations programmes in the economic, social and human rights fields for the period 1959-1964, for consideration by the Council at its twenty-eighth (1959) session."

21/ G A (XII), Supplement No. 7 (A/3624), para. 36; G A (XII), Annexes, a.i. 41, p. 55, A/3741, para. 9.

22/ G A (XIII), Annexes, a.i. 55, A/3928, annex I, para. 18.
3. **Power of the General Assembly to approve or disapprove obligations incurred by the Organization**

4. **Budget ceiling**

17. During discussion of the agenda item concerning the "over-all total of the United Nations annual budget expenditure", which the United Kingdom had introduced at the eleventh session of the General Assembly, 23/ the representative of that country submitted a revised draft resolution, 24/ according to which the General Assembly would decide that the over-all gross appropriation for the regular budget of the United Nations for the financial year 1957 should not exceed 50 million United States dollars. An amendment to this provision submitted by France 25/ recommended that the future gross appropriation for the regular budget and unforeseen and extraordinary expenses should not exceed $52 million. This amendment was not voted upon, in view of the rejection 26/ by the Fifth Committee of another amendment by France to the United Kingdom draft resolution. As previously stated, 27/ the proposal of the United Kingdom was also rejected by the Fifth Committee.

18. Other proposals relating to the budget ceiling were submitted during the period under review in connexion with the public information activities of the United Nations. During the twelfth session of the General Assembly, a part of the general debate by the Fifth Committee on the 1958 budget estimates as a whole was devoted to the problem of setting an optimum ceiling for expenditure on public information. In its resolution 1177 (XII), which established a Committee of Experts, 28/ the General Assembly recalled the recommendation by the Fifth Committee in its report to the eleventh session of the General Assembly 29/ that the over-all expenditure for the public information activities of the United Nations (excluding the Visitors' Service and the Sales and Circulation Service) should be limited within a period of three years to a maximum annual figure of $4.5 million. The General Assembly also bore in mind the difficulties which the Secretary-General had presented, in moving towards the approved maximum annual expenditure of $4.5 million.

19. In its report 30/ to the thirteenth session of the General Assembly, the Committee of Experts on United Nations Public Information, after an appraisal of various aspects of information activities, considered that the amount of $4.5 million a year as a maximum total cost of public information was a reasonable basis for planning.

20. In response to the request of the Committee of Experts, the Secretary-General endeavoured to provide the General Assembly with a statement of the financial implications of the recommendations of the Committee of Experts. He pointed out that a number of the recommendations left too much room for interpretation to permit precise costing. The indications were that the recommendations would involve a total annual cost of about $5 million at 1958 price and salary levels. It was thus difficult to accept the view that $4.5 million a year could be taken as a reasonable basis for planning. 31/

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23/ See para. 8 above.
26/ Ibid., para. 20.
27/ See para. 9 above.
28/ See para. 15 above.
30/ G A (XIII), Annexes, a.i. 55, A/3928, para. 278. 31/ G A (XIII), Annexes, a.i. 55, p. 49, A/3945, para. 18.
21. Both the report of the Committee of Experts and the comments thereon by the Secretary-General were considered by the Fifth Committee during the thirteenth session of the General Assembly; and several draft resolutions were introduced. 32/ Of these, the joint draft resolution 33/ submitted by the United Kingdom and the United States was the only one put to a vote at the end of the Fifth Committee's debate. An amendment 34/ by Romania to this joint draft resolution, by which the General Assembly would bear in mind the past recommendations by the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee for the imposition of a limitation of $4.5 million upon expenditures for public information activities, was rejected 35/ by a roll-call vote of 27 to 14, with 28 abstentions. The joint draft resolution was then approved by the Fifth Committee and later adopted as General Assembly resolution 1335 (XIII). Although no provision was made in this resolution regarding a budget ceiling for public information activities of the United Nations, the Secretary-General was requested to give effect in 1959, so far as practicable, to the recommendations of the Committee of Experts and to any other means which, in the opinion of the Secretary-General, would further the objectives set out in the preamble of the resolution, with the maximum of effectiveness at the lowest possible cost.

**E. Extent of control by the General Assembly over budgetary expenditure**

**1. The Board of Auditors**

**2. Functions of the Board of Auditors and principles governing the audit procedure of the United Nations**

**3. Procedure for review of accounts and audit reports by the General Assembly**

**F. Extra-budgetary funds**

**1. General statement**

2. The principal extra-budgetary programmes

22. The United Nations Special Fund was established by General Assembly resolution 1240 (XIII) of 14 October 1958 as a separate fund to provide "systematic and sustained assistance in fields essential to the integrated technical, economic and social development of the less developed countries". It was to be financed by voluntary contributions from Governments of Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency. The Special Fund was also authorized to receive donations from non-governmental sources.

**3. Raising funds for extra-budgetary purposes**

**4. Control of extra-budgetary funds**

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33/ Ibid., para. 31.
34/ Ibid., para. 32.
35/ Ibid., paras. 34 and 35.
G. Special Account for the United Nations Emergency Force

1. Purpose and limits of the account

23. The Special Account for the United Nations Emergency Force (UNEF) was established outside the regular budget in terms of General Assembly resolution 1122 (XI) of 26 November 1956. In a summary study of the experience derived from the establishment and operation of UNEF, 36/ the Secretary-General gave the main reasons for dealing with UNEF expenditures on an ad hoc and separate basis, outside the regular budget, as follows:

"(a) the scope and duration of UNEF's assignment were uncertain;

"(b) cost estimates could not in the early stages be developed with any precision;

"(c) various offers of assistance without charge to the United Nations had been made, as well as promises of grants;

"(d) the initial basic rule for the sharing of costs, which was accepted by the General Assembly on 7 November 1956 (resolution 1001 (ES-I), para. 5), whereby a participating State would be responsible for all costs for the equipment and salaries of its contingent, had been submitted by the Secretary-General as provisional and subject to further study;

"(e) available balances in the Working Capital Fund were not sufficiently large to underwrite the expenses of even a relatively small Force for any appreciable period of time, in addition to financing other unavoidable United Nations requirements; and

"(f) the procedure adopted would avoid the virtually certain delay that would otherwise have resulted from deep differences of opinion about who should be responsible for meeting the costs."

24. The UNEF budget was divided into two parts: the first dealt with operating costs incurred by the United Nations in relation to both civilian and military personnel; the second, with the reimbursement of extra and extraordinary costs incurred by Governments providing contingents for UNEF.

2. Apportionment of costs between the United Nations and the participating States

25. The basic rule for sharing the costs of military contingents, between the United Nations and Member States contributing contingents, was established provisionally in accordance with General Assembly resolution 1001 (ES-I) of 7 November 1956. 37/ A nation providing a unit was to be responsible for all costs of equipment and salaries for the unit; all other costs were to be financed outside the regular budget of the United Nations. In resolution 1089 (XI) of 21 December 1956, the General Assembly decided further that "the expenses of the United Nations Emergency Force, other than for such pay, equipment, supplies and services as may be furnished without charge by Governments of Member States, shall be borne by the United Nations ...".

36/ G A (XIII), Annexes, a.i. 65, p. 8, A/3943, para. 106.
37/ Para. 5 of the resolution referred to para. 15 of the Secretary-General's report, which contained the basic rule (G A (ES-I), Annexes, a.i. 5, p. 19, A/3302).
26. The Secretary-General reported that it subsequently became clear that certain of the Governments concerned considered that resolution 1089 (XI) superseded the basic rule provisionally adopted in resolution 1001 (ES-I) and that it had, in effect, been the intention of the General Assembly to alter the basic rule and to include the cost of salaries and equipment of contingents among the expenses to be borne by the United Nations, unless furnished without charge by Member Governments.

27. In order to clarify the position, the Secretary-General stated his view that if a contingent served beyond the initial six-month period or a replacement contingent were made available, "the United Nations should agree to assume financial responsibility for all extra and extraordinary costs which a Government is obliged to incur in making forces available for UNEF service. Apart from the costs of equipment ... acceptance of this principle would mean, in effect, reimbursement by the United Nations of expenditure incurred in respect of pay and allowances over and above those costs which the Government concerned would, in any event, have been obliged to meet."

28. Subject to a special interim arrangement in the case of the first six months of service of UNEF contingents, the formula stated in the preceding paragraph was formally approved by the General Assembly on 22 November 1957, in resolution 1151 (XII), operative paragraph 2. By the same resolution the General Assembly approved a suggestion by the Secretary-General to the effect that "the United Nations should assume financial responsibility for the replacement of equipment that is destroyed or worn-out and for such deterioration beyond that provided for under normal depreciation schedules as can be assessed at the conclusion of the total period of service of a Government's forces."

29. The formula was later revised in General Assembly resolution 1575 (XV) of 20 December 1960; in operative paragraph 5, the General Assembly approved the following recommendations by the Secretary-General:

(a) At the conclusion of the period of service of any one contingent of UNEF, rather than at the conclusion of the total period of service of a participating Government's forces, the United Nations should reimburse the Government, at standard rates to be agreed upon between the United Nations and the participating Governments, for destruction, loss or depreciation incurred in respect of the following categories of supplies and matériel, necessarily supplied in the home countries of the incoming contingents:

(i) Personal clothing of members of the contingents;

(ii) Personal equipment of members of the contingents, such as rucksacks, kit-bags, sleeping bags, canteens, cooking and eating utensils;

(iii) Small arms;

(iv) Ammunition.

38/ G A (XII), Annexes, a.i. 65, p. 1, A/3694 and Add.1, para. 83.
39/ Ibid., para. 88.
40/ Ibid., para. 86.
41/ Ibid., para. 91.
42/ G A (XV), Annexes, a.i. 27, p. 13, A/4486 and Add.1 and 2, paras. 67-70.
30. The budget estimates for UNEF were prepared in the United Nations by the Office of the Controller on the basis of estimated requirements submitted by the appropriate departments. After approval by the Secretary-General, the estimates were submitted to the General Assembly in the form of a report by the Secretary-General. Subsequent procedures were similar to those which applied to the regular budget. Thus, the estimates were first considered by the Advisory Committee on Administrative and Budgetary Questions, which submitted its reports to the Administrative and Budgetary (Fifth) Committee of the General Assembly. The Fifth Committee examined the estimates in the light of the recommendations of the Advisory Committee and incorporated them, at an agreed level, in a draft appropriation resolution. The vote on this resolution in the Fifth Committee was taken by a simple majority of those present and voting. It was then submitted to the General Assembly, meeting in plenary session, where its adoption required the assent of a two-thirds majority of those present and voting.

31. Initial expenses for UNEF were met under General Assembly resolution 1122 (XI) of 26 November 1956, by which the General Assembly:

(a) Authorized the Secretary-General to establish a UNEF Special Account to which funds received by the United Nations, outside the regular budget, for the purpose of meeting the expenses of UNEF, were to be credited, and from which payments for this purpose were to be made;

(b) Decided that the Special Account should be established in an initial amount of $10 million;

(c) Authorized the Secretary-General, pending the receipt of funds for the Special Account, to advance from the Working Capital Fund such sums as the Special Account might require to meet any expenses chargeable to it.

32. The Secretary-General subsequently reported that the authorization of $10 million might be exhausted about the end of April 1957. Accordingly, the General Assembly, by resolution 1090 (XI) of 27 February 1957, authorized the Secretary-General to incur expenses to a total of $16.5 million for the period ending 31 December 1957. By the same resolution, the General Assembly authorized the Secretary-General, pending receipt of contributions to the Special Account:

(a) To advance from the Working Capital Fund such sums as the UNEF Special Account might require to meet any expenses chargeable to it;

(b) Where necessary, to arrange for loans to the Special Account from appropriate sources, including other funds under the control of the Secretary-General, provided that the repayment of any such advances or loans to the Special Account should constitute a first charge against contributions as they were received, and further provided that such loans should not affect current operational programmes.

43/ Ibid., paras. 68 and 69.
33. The Secretary-General submitted the first detailed cost estimates for UNEP to the General Assembly at its twelfth session. The estimates related to the period from November 1956 to 31 December 1957, and indicated total requirements between $24 million and $30.5 million for the fourteen-month period. He requested authority to spend up to $20 million for any period in 1958, plus such additional amounts as might be authorized or required with reference to reimbursements of costs to Governments providing contingents, it being understood that, so long as UNEP continued on its current basis of operations, the costs of UNEP would not normally exceed $2 million for any single month.

34. The General Assembly, by resolution 1151 (XII) of 22 November 1957, authorized the Secretary-General to expend an additional amount for UNEP for the period ending 31 December 1957, to a maximum of $13.5 million (a total of $30 million), and, as necessary, an amount for the continuing operation of UNEP beyond that date to a maximum of $25 million.

35. In the same resolution, the General Assembly requested the Fifth Committee, with the assistance of the Advisory Committee, to review the cost estimates of the Secretary-General for the period November 1956 to 31 December 1957 and his estimate concerning the level of continuing expenses in 1958.

36. In its report of 3 December 1957, the Advisory Committee expressed its belief that "the authorization of $30 million should be adequate for the first financial period ending 31 December 1957". In respect of the 1958 authorization, the Advisory Committee pointed out that it had been handicapped in its review by lack of formal budget estimates for that year. The Advisory Committee therefore recommended that:

   (a) A formal budget for UNEP in respect of 1958 should be prepared and published at the earliest feasible moment;

   (b) Initially, the budget should cover the first half year, in effect reflecting the allotments made by the Secretary-General for that period;

   (c) In view of the lower rate of expenditure foreseen for many items, the total for the first six months should not exceed $9 million to $10 million, exclusive of extra and extraordinary expenses, as approved for reimbursement by the Organization, in accordance with the terms of General Assembly resolution 1151 (XII);

   (d) Estimates for the full year should subsequently be made available to the Advisory Committee in time for review during its first session of 1958.

37. These recommendations were approved by the General Assembly in resolution 1204 (XII) of 13 December 1957. Accordingly, on 1 January 1958 the Secretary-General issued, for internal use, budget estimates for the period 1 January to 30 June 1958 in the amount of $8,875,000, exclusive of the cost of reimbursements to Governments. Copies of this document were made available to the Advisory Committee.
38. The budget estimates for the full year 1958 were submitted subsequently. 50/ Following the adoption by the General Assembly, on 14 November 1958, of resolution 1263 (XIII), providing for the continuing operation of UNEF, the General Assembly also considered the Secretary-General's budget estimates for the period 1 January to 31 December 1959. 51/ In both cases it had at its disposal the reports of the Advisory Committee. 52/ The General Assembly, in resolution 1337 (XIII) of 15 December 1958, then (a) confirmed its authorization to the Secretary-General to expend up to a maximum of $25 million during 1958, and (b) authorized the Secretary-General to expend up to a maximum of $19 million for the continuing operation of UNEF during 1959.

39. Cost estimates for the financial years 1960, 1961 and 1962 were later prepared, presented and approved in accordance with customary procedures. For the financial year 1960, the Secretary-General was authorized in resolution 1441 (XIV) of 5 December 1959 to expend a maximum of $20 million; and for the financial year 1961, by resolution 1575 (XV) of 20 December 1960, a maximum of $19 million. In respect of 1962, the appropriation action was modified by resolution 1735 (XVI) of 20 December 1961. In this resolution, the General Assembly (a) authorized the Secretary-General to spend, during 1962, at an average monthly rate not to exceed $1,625,000 for the continuing cost of UNEF; and (b) appropriated an amount of $9.75 million for the operations of UNEF for the period 1 January to 30 June 1962.

4. Financial administration

40. In accordance with the General Assembly's request in resolution 1122 (XI), the Secretary-General, after consultation with the Advisory Committee on Administrative and Budgetary Questions, established provisional rules for the UNEF Special Account, dated 15 November 1957. 53/ These rules and the procedures developed in connexion with them were designed to ensure effective financial administration and control along the general lines of United Nations financial rules and procedures. Detailed field procedures were effected through orders and administrative instructions. In respect of audit arrangements, the provisions of the United Nations Financial Regulations as to external audit, and of the United Nations Financial Rules as to internal inspection, were applied. The Advisory Committee and the Board of Auditors expressed satisfaction with these arrangements.

41. From 1 July 1957, UNEF accounts were operated on an imprest account basis. The cash needs of UNEF were provided as required from United Nations Headquarters, and all expenditures and commitments were reported to Headquarters for recording and auditing. Authority for obligation or expenditure was available only through allotments by the Controller.

42. The United Nations had at its disposal various bank accounts in national currencies at centres of UNEF activity. An operations account in United States dollars was established with a bank at United Nations Headquarters. All the accounts abroad were funded from United Nations Headquarters, mainly with United States dollars.

50/ G A (XIII), Suppl. No. 5A (A/3823).
51/ A/3964 (mimeographed); see G A (XIII), Suppl. No. 5C (A/4098).
52/ G A (XIII), Annexes, a.i. 65, A/3859; ibid., p. 34, A/4002.
53/ ST/SGB/UNEF/2; these provisional rules were revised under the title, "Financial Rules for the Special Account for the United Nations Emergency Force", 15 December 1958 (ST/SGB/UNEF/2/Rev.1); they were again revised 30 December 1960 (ST/SGB/UNEF/2/Rev.2); all mimeographed.