

ARTICLE 17(1)

CONTENTS

	<i>Paragraphs</i>
Text of Article 17(1)	
Introductory note	1
I. General survey	2–20
II. Analytical summary of practice	21–84
A. The scope of the budget	21–23
1. What the budget comprises	21–23
**2. Revised budget estimates	
**3. Supplementary estimates	
B. The process of considering and approving the budget	24–33
1. The responsibility for the preparation and transmittal of the budget to the General Assembly	24–28
**2. How the budget is considered and approved by the General Assembly	
3. Voting on the budget	29–33
C. Administration of the budget	34–35
1. The nature of the power vested in the Secretary-General	34–35
**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 .	36–41
**1. Provisions of the Financial Regulations and of the rules of procedure of the General Assembly and the Economic and Social Council	
2. Factors considered by the General Assembly in reviewing proposed expenditures	36–41
**3. Powers of the General Assembly to approve or disapprove obligations incurred by the Organization	
**4. Budget ceiling	
E. Extent of control by the General Assembly over budgetary expenditure	42–44
**1. The Board of Auditors	
2. Functions of the Board of Auditors and principles governing the audit procedure of the United Nations	42–44
**3. Procedure for review of accounts and audit reports by the General Assembly	
**4. Machinery for control and investigation of administrative and financial activities	

F.	Extrabudgetary funds	45-77
1.	General statement	45-49
2.	The principal extrabudgetary programmes	50-56
3.	Raising funds for extrabudgetary purposes.	57-73
4.	Control of extrabudgetary funds	74-77
G.	Special Account for the United Nations Emergency Force and the United Nations Disengagement Observer Force.	78-79
**1.	Purpose and limit of the account	
**2.	Apportionment of costs between the United Nations and the participating States	
3.	Preparation presentation and approval of estimates	78-79
**4.	Financial administration	
H.	Special Account for the United Nations Interim Force in Lebanon (UNIFIL).	80-84
**1.	Purpose and limit of the account	
**2.	Apportionment of costs between the United Nations and the participating States	
3.	Preparation, presentation and approval of estimates	80
4.	Financial difficulties of UNIFIL, and the establishment of a suspense account	81-84
**5.	Financial administration	

TEXT OF ARTICLE 17(1)

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

INTRODUCTORY NOTE

1. The structure of the present study follows that of the previous studies of Article 17(1) in the *Repertory* and its *Supplements Nos. 1, 2, 3, 4 and 5*. A separate sub-section has been included on the financial difficulties of the United Nations Interim Force in Lebanon (UNIFIL) and the establishment by the General Assembly of a suspense account for the Force.

I. GENERAL SURVEY

2. The General Assembly's consideration of the Secretary-General's proposed programme budgets during the period under review took place against the backdrop of an unfavourable global economic situation, marked by persistent inflationary trends and monetary instability. This affected the level of the budget, while the Organization's financial position continued to worsen due to delays in the payment of assessed contributions by some Member States and withholding of same by others.

3. During the consideration of the proposed programme budgets by the Fifth Committee, divergent views were expressed on the real causes of the growth of a budget and how it should be handled. In the view of a number of delegations, what was needed was action by the General Assembly to contain the growth of a budget that they considered unacceptably high, as well as the enforcement of budgetary restraint and discipline on both Member States and the Secretariat.¹ Though not opposed to the idea directly, other delegations held the view that budgetary restraint should not be allowed to undermine the Organization's capacity to deliver programmes approved by the General Assembly.²

4. Several delegations attributed the growth of the budget largely to inflation and monetary instability. Among these, a number argued that those developed countries whose economies gave rise to these problems should bear the additional costs to the United Nations budget.³ In that connection, in 1979, Cuba renewed an earlier proposal to have the Assembly decide on arrangements for losses to the United Nations budget resulting from inflation and monetary instability to be apportioned among Member States.⁴ Consideration of the related draft was once again postponed, to the thirty-fifth session.⁵

5. In its resolution 36/230, the General Assembly expressed deep concern at the increased cost of inflation, which was seriously affecting the budgets of organizations of the United Nations system. It also expressed concern at the persistence of inflation and

monetary instability in those developed countries in which the United Nations incurred its expenditures, thereby affecting other Member States that were not responsible for the losses resulting therefrom. The Assembly considered that there was a need for an additional procedure that would help the United Nations to meet the costs of inflation and monetary fluctuations under the regular budget. In resolution 36/230, which was adopted by a vote of 97 to 21, with 18 abstentions, the General Assembly requested the Secretary-General to prepare a detailed study on the impact of inflation and monetary instability on the regular budget of the United Nations for consideration by the Assembly at its thirty-seventh session.⁶ Following its review of the report,⁷ the General Assembly, in its resolution 37/130 of 17 December 1982, further requested the Secretary-General to prepare a more detailed study bearing in mind the provisions of resolution 36/230.

6. The study prepared in response to resolution 37/130 concluded that it was difficult to determine with any certainty the weights of domestic factors causing inflation, as opposed to those of international origin. Regardless of the origins of inflation and monetary instability, however, the study stressed that cost changes were eventually reflected in the level of the United Nations budget.⁸ In its resolution 39/240 of 18 December 1984, the General Assembly requested the Secretary-General to prepare a further study on the subject for consideration by the Assembly at its fortieth session.

7. Although the programme budgets were approved each biennium after rigorous scrutiny by Member States and the articulation of national positions, some Member States continued to delay the payment of their assessed contributions or withheld contributions for certain specified programmes or activities on the basis of stated positions of principle.⁹ This was a major source of the Organization's financial difficulties. Consequently, in 1980, it was estimated that the short-term financial deficit had increased by 100 per cent since 31 December 1976.¹⁰

The Secretary-General later projected that the 1981 deficit would reach US\$ 274.8 million by 31 December 1981.¹¹ In 1984, he reported that the response of the majority of Member States to repeated appeals by the General Assembly to pay their contributions in a timely manner had been disappointing.¹² At the time, the deficit was estimated to have increased to \$356 million.¹³

8. Pending a comprehensive solution to the financial problems of the United Nations, the General Assembly considered a revenue-producing proposal with a view to enhancing the Organization's liquidity. In its resolutions 35/113 of 10 December 1980 and 39/239 A of 18 December 1984, the Assembly invited the Secretary-General to issue postage stamps on the conservation and protection of nature including endangered species of the planet, and on the critical economic and social situation in Africa, respectively. Portions of the proceeds from the sale of the stamps were to be used towards easing the financial difficulties of the Organization. Both resolutions provided for the suspension of regulations 5.2 and 7.1 of the Financial Regulations of the United Nations¹⁴ so that the revenues so earned would not be credited to Member States.

9. In its resolution 35/113, the General Assembly requested the Negotiating Committee on the Financial Emergency of the United Nations¹⁵ to keep the situation under review and to report to it, as appropriate, at its thirty-sixth session. In its resolution 39/239 B, adopted without a vote, the General Assembly reaffirmed the principle of collective financial responsibility of Member States and reiterated its appeal to them, including those withholding their payments, without prejudice to their position of principle, to make voluntary contributions to the United Nations Special Account.¹⁶

10. In the face of the deteriorating short-term cash-flow situation, in 1981, the General Assembly considered proposals by the Secretary-General to prevent the danger of the United Nations defaulting on its future commitments.¹⁷ The options considered included: (a) imposition of interest on outstanding contributions after a set date each year; (b) increasing the Working Capital Fund to an amount of no less than \$100 million; (c) borrowing in the open market; (d) borrowing from Member States; (e) suspending indefinitely or for a limited period of time financial regulations 5.2 (d), 4.3 and 4.4 so as to permit the retention of future uncommitted balances of regular budget appropriations; (f) offsetting Member States credits against unpaid assessments; and (g) issuance of long-term bonds.¹⁸ Of these options, the Secretary-

General indicated a preference for (a), (b) and (e).¹⁹ In its resolution 36/116 B, adopted by a recorded vote of 103 to 23, with 5 abstentions,²⁰ the Assembly agreed to raise the level of the Working Capital Fund to \$100 million beginning with the 1982-1983 biennium. It also suspended regulations 5.2 (d), 4.3 and 4.4²¹ in respect of the surpluses arising from the appropriations for the bienniums 1980-1981 and 1982-1983. These were also the options recommended by the Advisory Committee on Administrative and Budgetary Questions. In rejecting the imposition of interest, the Advisory Committee and some Member States in the Fifth Committee pointed to the position of those countries that were unable to pay their contributions on a timely basis due to genuine financial difficulties.²² In addition, it was suggested that, were interest to be charged, the Organization would also be required to pay interest to Member States on outstanding claims against it.²³

11. The Working Capital Fund, the level of which was raised by the General Assembly from \$40 million to \$100 million in resolutions 36/116 B and 36/242 as of the beginning of the biennium 1982-1983, remained at the same level for the remainder of the period under review.

12. Among Member States that voted against the above resolutions, there were divergent views on the origin of the financial crisis of the Organization and on actions to be taken to remedy it. Some pointed to the lack of a proper analysis and conclusion as to the origin of the deficit. In their view the main cause of the deficit, was the inclusion in the regular budget of expenditures associated with peacekeeping operations in the Near East and others, which they referred to as illegitimate activities carried out in contravention of the Charter of the United Nations.²⁴ Others opposed to the increase in the Working Capital Fund held the view that the deficit was a result of the withholding of assessed contributions by some Member States and that increasing the size of the Fund would not solve the problem.

13. A number of Member States while attributing the deficit to the withholding of assessed contributions, nevertheless voted in favour of the resolutions so as to prevent the Organization from becoming bankrupt. They stressed that Member States must honour their financial obligations to the Organization.²⁵

14. During the period under review, the General Assembly also acted to establish the medium-term plan as the principal policy directive of the United Nations. On the recommendation of the Committee for Programme and Coordination, in 1979, in its

resolution 34/224 of 20 December 1979, the General Assembly approved principles and guidelines for the preparation of the medium-term plan. Subsequently, in its resolution 37/234, the General Assembly approved the Regulations Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. It also approved the medium-term plan for the period 1984-1989, the first such plan to cover a period of six years.

15. By the terms of the regulations referred to above, the planning, programming, budgeting and evaluation cycles were set in place, thereby constituting an integral part of the general policy-making and management process of the United Nations covering all its activities, irrespective of their funding sources. Regulation 4.1 stipulated that the programme budget should have financial information corresponding to at least one of the three programming levels in the medium-term plan, i.e., major programmes, programmes and subprogrammes.

16. The measures and guidelines for the designation of order of priority among programmes, which were adopted by the General Assembly in section II of its resolution 36/228 A of 18 December 1981, were further clarified in General Assembly resolution 37/234. Firstly, the resolution stipulated that the designation of priorities among programmes was the sole prerogative of the General Assembly. Secondly, CPC and the Secretary-General would make recommendations to the Assembly on the designation of priorities, after taking into account the views of intergovernmental and expert bodies in their respective areas of competence. Regulation 3.18 provided that priorities in the medium-term plan, as designated by the General Assembly, would guide the allocation of budgetary and extrabudgetary resources.

17. In respect of rationalizing United Nations meetings, conferences and their related documentation, the General Assembly took a number of actions that were partly aimed at reducing conference-servicing costs. In its resolution 35/10 A, it authorized the Committee on Conferences to make any adjustments in the calendar of conferences of the

United Nations which might become necessary as a result of decisions of the General Assembly. In its resolution 36/117 A, the Assembly reaffirmed this authorization to the Committee on Conferences with the specification that the Committee would do so "within approved resources."

18. In its resolution 35/10 C, the General Assembly approved guidelines on the preparation, organization and servicing arrangements of special United Nations conferences and their preparatory meetings. In accordance with that resolution, preparatory committees were to be set up for special conferences only when it was determined that those functions could not be carried out by existing intergovernmental organs. The Assembly also urged the use, to the extent possible, of existing Secretariat machinery to provide secretariats for international conferences, instead of the creation of new bodies for every international conference.

19. The above-mentioned guidelines further required that, whenever it was decided by the General Assembly that a United Nations conference would be held away from the established headquarters of its substantive office, the host Government was to be invited to set up a national preparatory committee for purposes of local arrangements. For a conference held away from its United Nations location, at the invitation of a host Government, General Assembly resolution 37/14 B required that the Government make an advance payment to the United Nations in order to cover the additional costs required for purposes of dispatching planning and review missions.

20. The Economic and Social Council, in its resolution 1979/69, decided, for an experimental two-year period, to discontinue the provision of summary records for all functional and regional commissions and inter-sessional committees of the Council. Subsequently, in its resolution 34/50 and its decision 34/418, the General Assembly extended this decision to itself and its subsidiary organs, for an experimental period of one year. With exceptions granted only to a few subsidiary organs, this experimental period was later extended to three years by the General Assembly in its resolution 37/14 C.

II. ANALYTICAL SUMMARY OF PRACTICE

A. The scope of the budget

1. WHAT THE BUDGET COMPRISES

21. The methodology and format of presentation of the programme budgeting had evolved significantly since its adoption in mid-1970s, such that any changes introduced during the period under review

were more of a refinement than an innovation. Based on the recommendations of the Secretary-General, submitted in response to General Assembly resolution 32/211, already in 1978, in part III of its resolution 33/116 C, the Assembly had approved the budget methodology for the programme budget for the biennium 1980-1981.²⁶ The refinements during this

period were limited to the maintenance base, growth, the summarization of tabular financial data and the treatment of non-recurrent items. As a result, the format and methodology used in the programme budget for the biennium 1978-1979 were followed fairly typically in subsequent programme budgets.

22. Furthermore, requests from Member States for more information on the budget methodology, resource growth as well as programmatic implications of budgetary proposals by the Secretary-General were treated through the foreword in the 1980-1981 and 1982-1983 proposed programme budgets and together with the introduction section in the case of the proposed programme budget for 1984-1985. The refinements also brought about changes in the level of detail and the presentation of estimates and expenditures relating to extrabudgetary resources.

23. During the adoption of the programme budget for the biennium 1984-1985, however, the views of Member States were still divided as much on the level of the budget as its presentation. Some expressed concern that more efforts were required in terms of the evolution of the budget towards integrated programme budgeting, while others noted improvement in the budget preparation process and in the format of the budget document.²⁷

****2. REVISED BUDGET ESTIMATES**

****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

24. Member States expressed repeated criticisms about delays in the submission of documents to the General Assembly, especially since this had implications for the review and consideration by the Assembly of the proposed programme budget. The situation in 1979 became more serious during the examination of the proposed programme budget for 1980-1981 by the Advisory Committee on Administrative and Budgetary Questions. The Advisory Committee informed the Fifth Committee at its 87th meeting, on 18 December 1979, that it had been unable to consider in detail the report of the Secretary-General on budget performance for the biennium 1978-1979 due to the late submission of documentation.²⁸

25. The Advisory Committee stressed that without decisive action by all delegations in all committees and by the Secretariat to reverse those trends, the

Fifth Committee would be unable to complete its work in time for the suspension of the annual session of the General Assembly. As a step towards remedying the situation, the Advisory Committee recommended that the reports of the Secretary-General—including those containing administrative and financial implications—be submitted in a staggered manner.²⁹ In a report to the General Assembly at its thirty-fourth session, the Secretary-General acknowledged that existing procedures needed some modifications if the original schedule envisaged for each regular session of the General Assembly were to be adhered to.³⁰ Emphasizing that priority attention should be given to the organization of work of those intergovernmental bodies with the heaviest workload, the Secretary-General made four proposals,³¹ which the General Assembly, on the recommendation of the General Committee, adopted as part I of its decision 34/401 on the rationalization of its procedures and organization.

26. By the terms of the decision, a procedure was established whereby: (a) a mandatory deadline, not later than 1 December, was set for the submission to the Fifth Committee of all draft resolutions with financial implications; (b) the Fifth Committee would accept without debate the recommendations of the Advisory Committee on Administrative and Budgetary Questions on the financial implications of draft resolutions up to a prescribed limit (e.g. \$25,000 on any one item); (c) firm deadlines were set for the early submission of the reports of subsidiary bodies which required consideration by the Fifth Committee; (d) a waiting period of a minimum of 48 hours was to be allowed between the submission and the voting of a proposal involving expenditure in order to allow the Secretary-General to prepare and present the related statement of administrative and financial implications.

27. The following year, in its resolution 35/10 A, the General Assembly requested the Committee on Conferences to study the possibility of establishing effective mechanisms to enforce all existing rules to control and limit documentation with a view to ensuring its timely availability in all official languages. In the face of the continued problem, the General Assembly its resolution 36/117 A (II) further insisted that the Secretary-General take the necessary administrative measures within available resources to prevent in future undue delays in the submission of documents for translation, reproduction and distribution.

28. With regard to the review of the proposed programme budget, during the thirty-seventh session, the Committee for Programme and Coordination

recommended that all parts of the proposed programme budget for the biennium 1984-1985 should be submitted to it at its twenty-third session in a staggered fashion and that the submission should be completed no later than April 1983. It further recommended that the Secretary-General should include in the terms of reference of his Programme Planning and Budgeting Board the task of preparing a cross-sectional programme analysis, as recommended by the Committee at its twenty-first session. In addition, the Committee recommended that the Board should also be entrusted with the task of rationalizing the process of preparing the proposed programme budget.³²

****2. HOW THE BUDGET IS CONSIDERED AND APPROVED BY THE GENERAL ASSEMBLY**

3. VOTING ON THE BUDGET

29. During the period under review, decisions on the programme budget by the General Assembly were adopted by a system of recorded voting. The pattern of increasing negative votes, according to the Secretary-General, revealed an attitude among Member States indicative of more than simply a critical reflection on the financial management of the United Nations. In presenting to the Fifth Committee his proposed programme budget for the biennium 1980-1981, the Secretary-General, on 3 October 1979, expressed full understanding of the deep concern voiced in that Committee during the debates on the programme budgets. In referring to the voting on the revised appropriations for the biennium 1978-1979, the Secretary-General noted that he could not be unmindful of the reality that Member States whose contributions added up to nearly three fourths of the regular budget resources had failed to express positive support.³³ As stated above, he assured the Committee that he had enforced a decisive policy of restraint and economy for the 1980-1981 biennium.

30. Nevertheless, in the face of the growing level of expenditures, which a number of Member States disapproved of, decisions on the funding of the Organization continued to be made by voting. Thus subsequent programme budgets during the period under review were approved by the General Assembly in its resolutions 34/230, 36/240 and 38/236 by a system of recorded voting. Although the number of votes in each category varied from session to session, the largest number of negative votes was recorded in the final appropriations for 1980-1981, which were approved by a vote of 120 to 16, with 4 abstentions. The initial appropriations for 1982-1983 were approved by a vote of 120 to 15, with 6 abstentions.

31. On 20 December 1979, the General Assembly adopted two resolutions on the programme budget for the biennium 1978-1979. By resolution 34/223 A, it approved the final budget appropriations amounting to \$1,084,186,200, by a recorded vote of 116 in favour to 9 against, with 11 abstentions.³⁴ In resolution 34/223 B, the Assembly approved, by a recorded vote of 127 to none, with 11 abstentions,³⁵ a final income of \$190,856,900, representing a decrease of \$4,863,600 from the revised income estimates approved on 29 January 1979. Although the final appropriations reflected a reduction of \$5,927,300, the programme budget for the biennium 1978-1979 was highly controversial due to the increase of \$93,740,600 resulting from revised estimates and statements of programme budget implications. A number of Member States had expressed serious concerns at the overall level of the revised budget that had been approved at the time, by a recorded vote of 98 to 15, with 9 abstentions.³⁶

32. When introducing his proposed programme budget for the biennium 1980-1981, the Secretary-General, in a statement before the Fifth Committee on 3 October 1979, indicated that he had put in place a decisive financial policy of restraint and economy with a view to containing the real growth of the budget. Referring to it as a budget of austerity, he indicated that his proposals for the first time consisted of several instances wherein a significant number of new activities were financed with resources released from activities that had been discontinued.³⁷

33. During the adoption of the appropriation resolution for the biennium 1984-1985, a number of Member States considered the level of the budget unacceptably high. Those who attributed the increases to excessive use of funds from the regular budget to offset the reduction in extrabudgetary resources criticized the Secretariat for not having formulated a plan for the genuine redeployment of resources. Some of those who voted against approval of the budget criticized in particular the practice of financing of technical cooperation under the regular budget and the redemption of bonds issued earlier.³⁸

C. Administration of the budget

1. THE NATURE OF THE POWER VESTED IN THE SECRETARY-GENERAL

34. When adopting the biennial programme budgets, the General Assembly reposed authority in the Secretary-General to meet expenses relating to unforeseen and extraordinary expenses. During the period under review, the conditions to be met by the Secretary-General in respect of unforeseen and

extraordinary expenses were specified under the terms of General Assembly resolutions 34/231, 36/241 and 38/237. In conformity with these resolutions, with the prior concurrence of the Committee on Administrative and Budgetary Questions and subject to the Financial Regulations of the United Nations, the Secretary-General was authorized to enter into commitments in the amount not exceeding \$2 million in any one year of the bienniums for 1980-1981, 1982-1983 and 1984-1985. The provisions in each of the resolutions were the same, except for the inclusion of variable sums relating to the pensions of judges, costs of assessors and other related costs of the International Court of Justice.

35. Moreover, if and when funds in excess of \$10 million were required for the maintenance of international peace and security as a result of a decision by the Security Council, the General Assembly authorized the Secretary-General to convene a special session of the General Assembly to take decision on the matter.

****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

****1. PROVISIONS OF THE FINANCIAL REGULATIONS AND OF THE RULES OF PROCEDURE OF THE GENERAL ASSEMBLY AND THE ECONOMIC AND SOCIAL COUNCIL**

2. FACTORS CONSIDERED BY THE GENERAL ASSEMBLY IN REVIEWING PROPOSED EXPENDITURES

36. Acting on the recommendation of the Fifth Committee, the General Assembly in its resolutions 34/230, 36/240 and 38/236 approved initial appropriations for the 1980-1981, 1982-1983 and 1984-1985 bienniums. Revised appropriations in respect of each biennium during the period under consideration were approved under General Assembly resolutions 35/226, 37/243 and 39/237. In addition, following the review of budget performance reports submitted by the Secretary-General, in its resolutions 34/223, 36/234 and 38/226 the General Assembly approved the final budget appropriations towards the end of each biennium.

37. In the foreword to the proposed programme budget for the biennium 1982-1983, the Secretary-General indicated that his proposals represented less

than 1 per cent growth in real terms over the 1980-1981 levels. In that connection, he observed that his proposals would not arouse marked enthusiasm either among those who felt that a greater expansion was called for in specific activities of the Organization or among those who felt that a lower level of resources ought to be requested because of financial stringency.³⁹

38. The programme budget for the biennium 1984-1985 was the first programme budget to be prepared within the framework of the programme planning and budgeting regulations and to be based on a six-year medium-term plan, in this case the plan for the period 1984-1989, approved by the Assembly in its resolution 37/234. In the introduction to the proposed programme budget, the Secretary-General confirmed that all proposed programme elements and outputs contributed to the implementation of the strategies and objectives, as outlined in the medium-term plan for that period.⁴⁰ Compared with the 1982-1983 initial appropriations, the 1984-1985 budget reflected significant increases in political and peacekeeping activities. In comparison with the revised appropriations for 1982-1983, it was noted that the 1984-1985 budget reflected growth under economic, social and humanitarian activities and common services, offset by reductions under miscellaneous expenses.⁴¹

39. In respect of the treatment of financial implications of draft resolutions, the General Assembly established general guidelines to be followed by the Secretary-General when submitting such statements pursuant to rule 153 of the rules of procedure of the General Assembly. In its resolution 38/227 A of 20 December 1983, the Assembly decided that the new methods and procedures were to apply initially only to draft resolutions submitted to it during the regular sessions of the Assembly. Under the terms of that resolution, the Assembly required that each statement should be an integrated statement of programme, financial and administrative implications. This established the requirement that each statement of programme budget implications should indicate how the activities proposed in a draft resolution fulfilled or reinforced objectives and strategies of legislative mandates, approved by the Assembly in the context of the medium-term plan. In addition, the Assembly deemed it essential that the statements provide analyses and recommendations of the Secretary-General on the funding of the proposed activities, alternative funding proposals as well as clear implications of draft resolutions with financial implications with regard to existing programmes within the different sections of the budget.

40. Following its review of the proposed programme budget for the biennium 1980-1981, CPC at its nineteenth session recommended the deletion from the budget document of activities that were not mandated by intergovernmental bodies. It also recommended that future budget documents should clearly identify activities that were completed, obsolete, marginally useful or ineffective.⁴² In its resolution 34/224, the General Assembly endorsed the Committee's recommendations. By its resolution 34/225, it also requested the Secretary-General to exercise his judgement in order to identify those activities that were marginally useful and ineffective and to report thereon to CPC at its twentieth session, together with a report on the resources released and their consequent effects on the programme budget.

41. In compliance with that request, the Secretary-General submitted a report identifying in the 1980-1981 programme budget a number of activities that should be discontinued, including the resources to be released therefrom, as well as six criteria to guide in future the identification of such activities. He noted that in the previous 14 months, he had dealt five times with the identification of activities that were completed or obsolete. From that, the Secretary-General observed, he had taken cognizance that the difficulties experienced in the identification process mainly arose from the fact that the exercise had not yet found its proper place within the Organization. To that end, he proposed the integration of his criteria into the existing United Nations reporting mechanisms with a view to improving the quality of analysis and enhancing the effectiveness of the identification of such activities.⁴³ In its resolution 35/209, the General Assembly concurred with all aspects of the Secretary-General's proposals thereby making the criteria part of the planning, programming and budgeting cycles as procedures for the identification of activities that were completed, obsolete, ineffective or marginally useful.

****3. POWERS OF THE GENERAL ASSEMBLY TO APPROVE OR DISAPPROVE OBLIGATIONS INCURRED BY THE ORGANIZATION**

****4. BUDGET CEILING**

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

42. On the recommendation of the Fifth Committee, the General Assembly adopted decision 38/408

amending the terms of reference of the Board of Auditors of the United Nations and its related programmes and funds. The Board was henceforth required to express an opinion as to whether or not audited statements were in accord with the stated accounting principles of the Organization and also whether those principles had been consistently applied.

43. The Board retained its mandate to express its opinion on whether the statements presented fairly the financial position and the results of operations and whether transactions were in accordance with the Financial Regulations of the United Nations and with legislative authority. A proposal by the Board to remove from its terms of reference a clause specifying language to be placed in each audit opinion describing the scope of audit coverage as including a general review of accounting procedures and tests of records and other evidence was not approved, however. As recommended by the Advisory Committee on Administrative and Budgetary Questions, the General Assembly concluded that that language constituted an important part of an audit opinion and that the clause should be retained.⁴⁴

44. During the period under review, following its consideration of the financial reports and accounts, the General Assembly accepted the reports and audit opinions of the Board of Auditors. With regard to follow-up, it entrusted the Board and the Advisory Committee to continue to give greater attention to matters about which they had made observations and comments. In addition, the Assembly called upon the executive heads of the audited organizations and programmes to take the necessary remedial actions in areas falling within their competence, as might be required by the comments and observations made by the Board of Auditors.

****3. PROCEDURE FOR REVIEW OF ACCOUNTS AND AUDIT REPORTS BY THE GENERAL ASSEMBLY**

****4. MACHINERY FOR CONTROL AND INVESTIGATION OF ADMINISTRATIVE AND FINANCIAL ACTIVITIES**

F. Extrabudgetary funds

1. GENERAL STATEMENT

45. During the period under review, several trust funds and special accounts continued to function as well as new ones established with the objective of providing support to activities of the Organization in the political, humanitarian, human rights, economic and social fields. On numerous occasions the General Assembly appealed to Member States to make contributions in support of activities in these areas as well as to those United Nations funds and

programmes financed under voluntary contributions. None the less, the flow of voluntary contributions had not been as much as expected, despite repeated appeals by the General Assembly. In some instances, this compelled the Assembly to resort to a practice of partial funding by the regular budget of activities originally funded through voluntary contributions, especially during their transitional periods or times of financial difficulties.

46. Extrabudgetary funds have been used by the United Nations mainly to contract experts, award fellowships, provide advisory services and organize workshops and study tours as part of the technical cooperation efforts of the United Nations system. United Nations resources for technical assistance during the period were mainly channelled through the Department of Technical Cooperation for Development and the five regional commissions.

47. The Secretary-General's report on services provided by the United Nations in support of activities financed from extrabudgetary resources divided such services into three categories, those provided in support of: (a) the administrative structure of extrabudgetary activities; (b) substantive activities financed by extrabudgetary funds; and (c) technical cooperation programmes.⁴⁵ The largest of these categories covered costs incurred to provide back-up for technical cooperation projects at major overseas offices and those financed by the voluntary programmes such as the United Nations Development Programme (UNDP) and the cost of administrative services performed on behalf of bodies funded by voluntary contributions.

48. Efforts in search of a reimbursement formula for agency support costs involved protracted negotiations between and among the different parts of the system. For his part, the Secretary-General favoured a simple and practical approach and stressed that the formula to be agreed upon should determine the level of reimbursement in respect of technical cooperation support costs and that of substantive activities financed by extrabudgetary funds.⁴⁶ At the request of the Governing Council of UNDP, both the General Assembly and the Economic and Social Council⁴⁷ recommended that the executing agencies review their operational support systems, working methods, arrangements and staffing with a view to making significant cost reductions.

49. In 1980, in part V of resolution 35/217, the General Assembly approved the agency support costs formula contained in decision 80/44 of the Governing Council of UNDP by which, as a first step, the problem surrounding reimbursement for services

provided was resolved. This involved the determination of amounts to be paid by UNDP to agencies executing its projects and the level of reimbursement for the administrative and other services provided in support of project execution. Under the formula, recommended by the Intergovernmental Working Group on Support Costs, the reimbursement rate for the period from 1982-1991 was reduced from 14 to 13 per cent of annual project expenditures. Governments and agency governing bodies were urged to apply the formula to other technical cooperation activities, including those financed from trust funds. The Administrator of UNDP was requested to study reimbursement arrangements for those activities for which the percentage formula did not apply at the time.

2. THE PRINCIPAL EXTRABUDGETARY PROGRAMMES

50. By resolution 35/107 of 5 December 1980, the General Assembly decided to maintain for a further two-year period the Trust Fund of the Office of the United Nations Disaster Relief Coordinator (UNDRO) in order to ensure a sustained funding for the Office until 31 December 1983. The Trust Fund had been established pursuant to General Assembly resolution 3243 (XXIX) of 29 November 1974. In its resolution 37/144, the Assembly raised the emergency grant ceiling from \$30,000 to \$50,000 per country in the case of any one disaster so as to enable the Organization to respond to requests for emergency assistance up to a total of \$600,000 in any one year.⁴⁸ However, the resolution clearly indicated that the additional \$20,000 in grant funds should come from voluntary contributions.

51. By the same resolution, the General Assembly decided to maintain as from 1 January 1984 the Trust Fund and its sub-accounts and, to that end, authorized the United Nations Disaster Relief Coordinator to mobilize, through the Secretary-General, additional resources in order to meet the needs presented by complex disasters and emergencies of exceptional magnitude. In its resolution 38/202 of 20 December 1983, the General Assembly authorized UNDRO to respond to requests for emergency disaster assistance up to a total of \$600,000 in any one year, with a normal ceiling of \$50,000 per country in the case of any one disaster within existing resources. In effect, this granted the authorization for the full absorption by the regular budget of the UNDRO emergency grant requirements at the level approved by the Assembly.

52. In its resolution 37/221, the General Assembly proclaimed 1987 the International Year of Shelter,

with the requisite resources to be covered by both the regular budget and extrabudgetary sources. In his report to the General Assembly,⁴⁹ the Secretary-General indicated that Secretariat support towards the attainment of the objectives of the Year would be in keeping with the criteria for financing and organizing international years set out in the annex to Economic and Social Council resolution 1980/67.

53. In its resolution 38/56, following the designation in 1982 of 1986 as the International Year of Peace, the General Assembly established the Trust Fund for the International Year of Peace.

54. In its resolution 37/52 of 3 December 1982, the General Assembly adopted the World Programme of Action concerning Disabled Persons as a long-term plan of action. By resolutions 38/28 and 39/26, it decided to continue the United Nations Trust Fund for the International Year of Disabled Persons throughout the Decade and called upon Member States and other donors to continue to contribute generously to the Trust Fund. In 1984, the Secretary-General recommended that the Trust Fund be renamed the United Nations Fund for Disability.

55. The General Assembly established the United Nations Trust Fund for Chile in its resolution 33/174 of 17 December 1979. The following year, in its resolution 34/176, the Assembly lent its support to the appeal by the Secretary-General to Member States to make contributions to the Trust Fund. Subsequently, in its resolution 35/190, the Assembly requested the Commission on Human Rights to study the possible extension of the mandate of the Trust Fund and how eligible victims of human rights violations in need of legal and financial aid could benefit from it. By the same resolution, the Assembly requested the Economic and Social Council to submit to the Assembly at its thirty-sixth session recommendations on extension of the mandate of the Trust Fund as a United Nations Trust Fund for Victims of Gross and Flagrant Violations of Human Rights.

56. In response, the Council recommended extension of the mandate of the Special Rapporteur on the subject for another year. In addition, the Council recommended that the General Assembly rename the Fund as a United Nations voluntary fund for victims of torture, as suggested by the Commission on Human Rights at its thirty-seventh session.⁵⁰

3. RAISING FUNDS FOR EXTRABUDGETARY PURPOSES

57. Pursuant to General Assembly resolution 32/197, in which the Assembly established a single

annual pledging conference for all United Nations operational activities for development, the first such conference was held at United Nations Headquarters in November 1980 in order to mobilize voluntary contributions to United Nations agencies and bodies.⁵¹ The conference was attended by 135 States, of which 132 announced pledges to 12 United Nations funds and programmes for development activities. An additional 19 funds and programmes were identified by the Secretariat and noted by the General Assembly in December 1980 to be included in future annual pledging conferences.⁵²

58. In its resolution 34/52 A, the Assembly called upon all Governments as a matter of urgency to make generous contributions to meet the anticipated needs of the United Nations Relief Works Agency for Palestine Refugees in the Near East. It urged those Governments that did not contribute regularly to contribute and those that did contribute to increase their regular contributions.

59. By its resolution 34/92 E of 12 December 1979, the General Assembly decided to allocate \$500,000 for 1980, as a temporary measure, to the United Nations Fund for Namibia from the regular budget of the United Nations. By paragraph 9 of the resolution, it also decided that Namibians would continue to be eligible for assistance through the United Nations Educational Training Programme for Southern Africa and the United Nations Trust Fund for South Africa. In its resolution 34/93 B, while strongly condemning the racist regime of South Africa and its continued illegal occupation of Namibia, the Assembly appealed for generous and increased contributions to the United Nations Trust fund for South Africa and to the voluntary agencies concerned.

60. By the terms of resolution 34/93 R, the General Assembly authorized the Special Committee against Apartheid to hold a number of fixed sessions annually and allocated \$150,000 to the Special Committee from the programme budget for the biennium 1980-1981. The funds were to be used for special projects to promote public opinion against apartheid in different countries. The Assembly also authorized the Secretary-General, in consultation with the Special Committee, to seek and receive voluntary contributions for the special projects referred to in the resolution. Moreover, by its resolution 34/92 F, the Assembly allocated \$100,000 to the United Nations Council for Namibia for activities related to the International Year of Solidarity with the People of Namibia. In addition, under its resolution 38/36 E, the Assembly allocated \$1 million for 1984 from the regular budget to the United Nations Fund for Namibia in order to enable the United Nations

Council for Namibia to carry out the functions outlined by the Assembly in paragraph 1 of the resolution.

61. In its resolution 34/105, the General Assembly invited all Governments to increase their contributions, if possible on a multi-year basis, to enable UNICEF to attain its revenue target of \$290 million for 1981, as projected at the session of the Executive Board of UNICEF, held at Mexico City from 21 May to 1 June 1979.

62. Similarly, in its resolution 34/106 the General Assembly invited donors to increase their contributions to UNDP at least by 14 per cent annually so as to enable the Programme to achieve the target set for the 1977-1981 period.

63. Noting with regret the lack of sufficient income from contributions for UNITAR, in its resolution 35/53 B, the General Assembly decided, on an exceptional basis, that grant-in-aid should be provided from the regular budget in order to make up for the shortfall in the budget of UNITAR.

64. In its resolution 34/98, the General Assembly urged all countries, in particular the developed countries, to contribute to the United Nations Industrial Development Fund or to raise their contributions with a view to reaching the agreed annual funding level of \$50 million. The Assembly furthermore requested the Secretary-General and the Executive Director of UNIDO to seek voluntary contributions to enable the effective participation of representatives of the least developed countries in the Third General Conference of UNIDO. And in section II of its resolution 39/232, the General Assembly decided that provision should be made for the maintenance of all existing posts in the Senior Industrial Development Field Advisers Programme posts in the 1985 appropriations under the regular budget.

65. With respect to the World Food Programme, the General Assembly, in its resolution 34/108, established a minimum target for voluntary contributions at \$1 billion for the two years 1981 and 1982 to be pledged at the 1980 pledging conference. Of that amount, the Assembly specified that no less than one third should be in cash and/or services. By the end of 1982, 59 donors had pledged \$993 million. The minimum target for 1983-1984 was later increased to \$1.2 billion.

66. In its resolution 34/218 of 19 December 1979, the General Assembly decided to establish an Intergovernmental Committee on Science and Technology for Development. Pending the

establishment of long-term arrangements for its financing, the United Nations Interim Fund for Science and Technology for Development was established, funded by voluntary contributions for the two-year period of 1980-1981 at a level of \$250 million. The Interim Fund was to operate as an identifiable and separate entity to be governed by the provisions of the guidelines adopted by the Assembly as an annex to the resolution. The Fund was to be administered by UNDP under the policy guidance of the General Assembly.

67. Subsequently, in 1982, in its resolution 37/244, the General Assembly approved the long-term financial and institutional arrangements for the United Nations Financing System for Science and Technology for Development. This decision reaffirmed that the Intergovernmental Committee on Science and Technology would be the policy-making organ. Under the terms of the resolution, the Financing System was to be derived from two sources: core resources and non-core resources. The core component was to be financed by voluntary contributions with a target of \$300 million for the period 1983-1985. The non-core component, equivalent in targeted resources to the core component, was to include, among others, cofinancing, multilateral and bilateral contributions, cost-sharing, joint ventures, equity participation and trust funds.

68. In its resolution 37/250, the General Assembly established an intergovernmental Committee on the Development and Utilization of New and Renewable Sources of Energy, in order facilitate the implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy.

69. In its resolution 38/169, the General Assembly renewed its call for an early and effective implementation of the Nairobi Programme of Action. It also called upon all countries, particularly the developed countries, and other countries in a position to do so, to provide additional and adequate financial resources to the relevant organs, organizations and bodies of the United Nations system. The Assembly furthermore called for specific and additional resources to be directed through such channels as UNDP, the United Nations Revolving Fund for Natural Resources Exploration, the long-term financial arrangements for the United Nations Financing System for Science and Technology for Development, the United Nations Development Programme Energy Account and others.

70. By its resolution 38/201, the General Assembly decided to liquidate the United Nations Emergency Operations Trust Fund and to allocate the balance in its account to existing funds and programmes. Accordingly, 70 per cent of the balance was allocated to UNDP to finance urgently needed projects, primarily in the food and agricultural sectors in countries afflicted by famine and malnutrition as a result of prolonged drought, 18 per cent was to be utilized by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The remaining 12 per cent was to be channelled through UNDP to promote economic and technical cooperation among developing countries.

71. In order to ensure continuation of the activities of the Voluntary Fund for the United Nations Decade for Women beyond the Decade, the General Assembly established the United Nations Development Fund for Women (UNIFEM),⁵³ as a separate and identifiable autonomous entity within UNDP. The Voluntary fund for the United Nations Decade for Women and its subsidiary Supplementary Trust Fund were also liquidated and their assets transferred to the new Fund. The Fund was included among those programmes for which funds continued to be pledged at the annual United Nations Pledging Conference for Development Activities.

72. On the recommendation of both the First Committee and the Fifth Committee, the General Assembly in 1984 adopted resolution 39/148 H, by which it approved the statute of the United Nations Institute for Disarmament Research (UNIDIR) as an autonomous institution within the framework of the United Nations. Article VII of the UNIDIR statute, which called for mixed financing, i.e., from voluntary contributions from States and public and private organizations, as the principal source, and through a subvention from the regular budget, was redrafted in order to reflect the specific amount of a subvention from the regular budget. The regular budget subvention provided for the remuneration of the Director and his staff in an amount that would not exceed the equivalent of one half of the assured income of the Institute from voluntary contributions in respect of the year for which a subvention was being requested.

73. The assured income of the Institute would be the amount of contributions that had already been received or which had been pledged in writing by the time the level of any subvention was being considered. Specific activities that the General Assembly might request the Institute to add to its regular work programme were to be financed from the regular budget in amounts to be determined at the

time the activities were requested. Three Member States voted against the resolution and two Member States abstained, citing the mixed funding system, which they believed would set a precedent that would not be consistent with the 1982 Assembly decision calling for the activities of the Institute to be funded voluntarily.⁵⁴

4. CONTROL OF EXTRABUDGETARY FUNDS

74. Like all other resources at the disposal of the Organization and its funds and programmes, extrabudgetary funds are governed and administered in accordance with the Financial Regulations of the United Nations or the respective financial regulations of the funds or programmes.

75. In addition, in 1979, in part III of its resolution 34/233, the General Assembly requested the Secretary-General to give top priority to the implementation of the recommendation of the Board of Auditors, as endorsed by the Advisory Committee on Administrative and Budgetary Questions, calling for improvements in the financial management system of the United Nations. The Assembly furthermore called for the strengthening of the role of the Controller so as to provide functional leadership, guidance and central direction of all United Nations financial functions; the immediate establishment of a systems group to deal exclusively with the overall system of financial management and control; and the production of the financial manual for which special funds had been provided.

76. In the course of its examination of the proposed programme budget for the biennium 1980-1981, the Advisory Committee noted a huge gap between the estimated income for 1978-1979 of \$4,361,500 and the amount of \$11,419,300 estimated for 1980-1981. Although it noted that the difference was a result of the inclusion of reimbursement for services provided to specialized agencies, the Committee emphasized that the presentation of that part of the budget should be modified. In that regard, it recommended expansion in future programme budgets of the explanatory statements under income section 2 so as to show gross estimates of reimbursement, the staff and related costs to be charged thereto and the anticipated net estimate income.⁵⁵ At its thirty-fifth session, in part II of its resolution 35/217, the Assembly requested the Secretary-General to submit all the necessary information on services provided by the United Nations to activities financed from extrabudgetary resources as a separate annex in subsequent proposed programme budgets.

77. By the terms of resolution 36/227 of 18 December 1981, the General Assembly authorized the

Governing Council of UNDP to adopt financial regulations in respect of all funds administered by the Programme and requested the Council to report such regulations to the Assembly. In the same resolution the General Assembly decided that the financial regulations of the United Nations Capital Development Fund and those for the United Nations Special Fund for Landlocked Developing Countries should be adopted by the UNDP Governing Council, subject to their review by the Advisory Committee on Administrative and Budgetary Questions. It also requested the Governing Council to report on the actions taken thereon, pending which the Financial Regulations of UNDP were to be applicable to both funds.

G. Special Account for the United Nations Emergency Force and the United Nations Disengagement Observer Force

****1. PURPOSE AND LIMIT OF THE ACCOUNT**

****2. APPORTIONMENT OF COSTS BETWEEN THE UNITED NATIONS AND THE PARTICIPATING STATES**

3. PREPARATION, PRESENTATION AND APPROVAL OF ESTIMATES

78. Following the renewal of the mandate of UNDOF by the Security Council in its resolution 449 (1979) of 30 May 1979, the General Assembly, by its resolution 34/7 B appropriated to the Special Account \$18,202,000 for the liquidation of the United Nations Emergency Force as from 25 July 1979. Of that amount, it also decided, as an ad hoc arrangement, to apportion the amount of \$10,590,255, in accordance with the groupings set out in categories (a) to (d), section II, of resolution 3101 (XXVIII), using the scale of assessments for 1978 and 1979, and \$7,611,745 using the scale of assessments for 1980, 1981 and 1982.

79. In its resolutions 35/45 A, 36/66 A, 37/38 A, 38/38 A and 39/28 A, following the respective renewals of the mandate of UNDOF by the Security Council, the General Assembly continued to appropriate funds in order to meet the expenses of the Force. The appropriations approved by the Assembly were apportioned among Member States in the same manner as in 1979. By the terms of those resolutions, the Assembly also successively suspended regulations 5.2 (b), 5.2 (d), 4.3 and 4.4 of the Financial Regulations in respect of surplus balances in the Special Account of UNDOF and UNEF. While those surpluses were theoretically aimed at meeting the requirements of accounting conventions, in actual fact, what was recorded as income was not received

from certain Member States, as a result of their withholding of contributions on grounds of stated political objections to the establishment of those peacekeeping forces.

****4. FINANCIAL ADMINISTRATION**

H. Special Account for the United Nations Interim Force in Lebanon (UNIFIL)

****1. PURPOSE AND LIMIT OF THE ACCOUNT**

****2. APPORTIONMENT OF COSTS BETWEEN THE UNITED NATIONS AND THE PARTICIPATING STATES**

3. PREPARATION, PRESENTATION AND APPROVAL OF ESTIMATES

80. The General Assembly, in its resolutions 34/9, 35/115 A, 36/138 A, 37/127 A, 38/38 A and 39/71 A, continued to appropriate to the Special Account funds required for the operation of UNIFIL for the periods for which the Security Council renewed the Force's mandate.

4. FINANCIAL DIFFICULTIES OF UNIFIL AND THE ESTABLISHMENT OF A SUSPENSE ACCOUNT

81. In its resolution 34/9 D, the General Assembly established a Suspense Account in order to supplement the Special Account of UNIFIL. The establishment of the Suspense Account became necessary in view of the sheer magnitude of the withholding of contributions by certain Member States, resulting in the drawing up to the full extent of the balances in the Special Account for UNIFIL. According to the report of the Secretary-General, in the period between March 1978, when the Force was first established, and September 1979, the amount withheld had risen from \$14 million to \$52.4 million.⁵⁶

82. The Suspense Account was to consist of voluntary contributions in cash made by Governments and international organizations as well as by private sources and was to be administered in accordance with special provisions, annexed to the above-mentioned General Assembly resolution. According to the special provisions of the Suspense Account, the funds so raised under the account were to be considered as cash advances, to be credited or paid back to the donors when sufficient contributions to the regular budget had been received. The funds were to be utilized to reimburse Governments for the costs they had incurred in contributing troops, equipment and supplies to UNIFIL.

83. As in the case of UNDOF, in view of the financial difficulties of UNIFIL, the General Assembly suspended the provisions of regulations 5.2

(b), 5.2 (d), 4.3 and 4.4 of the Financial Regulations in respect of the "theoretical surplus" that the Secretary-General would otherwise have been required to surrender. By that decision of the General Assembly suspending those regulations, the Secretary-General was authorized to add these amounts to the Suspense Account, instead of surrendering them in keeping with the provisions of those regulations.

84. In resolution 34/9 C, the General Assembly also approved special arrangements whereby appropriations required in respect of obligations owed to Governments providing contingents and/or logistic support to UNIFIL would be retained beyond the period stipulated under regulations 4.3 and 4.4.

**5. FINANCIAL ADMINISTRATION

NOTES

¹ See G A (34), 5th Comm., 11th-13th mtgs.

² Ibid., 13th mtg., paras. 16-18.

³ See *ibid.*, 16th and 18th mtgs.; see also G A (38), 5th Comm., 6th mtg.,

⁴ Draft resolution A/C.5/33/L.35, introduced by Cuba in 1978, in its operative paragraph 1 would have the General Assembly decide that 80 per cent of losses to the budget resulting from inflation and monetary instability should be paid by those developed countries hosting United Nations offices. The remaining 20 per cent would have been apportioned among other countries, prorated in shares determined by the scale of assessments approved by the General Assembly for the corresponding period. By the terms of the same draft resolution, such losses to the United Nations budget in developing countries hosting United Nations offices would have been absorbed by the regular budget. Following a proposal by Algeria and with the agreement of the Fifth Committee, its consideration was postponed to the thirty-fourth session of the General Assembly.

⁵ A/34/771, para. 6.

⁶ A/36/838, p. 3.

⁷ A/C.5/37/39.

⁸ A/C.5/39/44, paras. 24-26.

⁹ A/C.5/36/28 and Corr.1-3; A/C.5/37/15 and Corr.1; G A (38), 5th Comm., 7th mtg., paras. 12-13, 26-32, 34-37, 39-40, 42-43, 46, 52, 63 and 74-75; G A (38), Plen., 104th mtg.

¹⁰ A/C.5/35/13.

¹¹ A/C.5/36/28 and Corr.1 and 2, paras. 1 and 17.

¹² A/C.5/39/10, para. 10.

¹³ *Ibid.*, p. 10.

¹⁴ Financial regulation 5.2 reads:

"For each of the two years of a financial period, the contributions of Member States shall be assessed on the basis of half of the appropriations approved by the General Assembly for that financial period, except that adjustments shall be made to the assessments in respect of:

(a) Supplementary appropriations for which contributions have not previously been assessed on Member States;

(b) Half of the estimated miscellaneous income for the financial period for which credits have not previously been taken into account, and any adjustments in estimated miscellaneous income previously taken into account;

(c) Contributions resulting from the assessment of new Member States under the provisions of regulation 5.8;

(d) Any balance of the appropriations surrendered under regulations 4.3 and 4.4;

(e) Half of the Members' credits in the Tax Equalization Fund for the financial period estimated to be not required to meet charges for tax refunds during the calendar year, and any adjustment in the estimated credits previously taken into account."

Financial Regulation 7.1 reads:

"Proceeds from the rental of property or from the load of staff members or other services rendered shall be credited as miscellaneous income. (See also rules 114.2 and 114.3 with respect to 'provision of goods and services to others' and 'accounting for goods and services provided to others', respectively.)"

¹⁵ See *Repertory, Supplement No. 5* under Article 17(1), para. 5.

¹⁶ Although the Special Account was established by the General Assembly in its resolutions 2053 A (XX) and 3049 A (XXVII) to help solve the problem of the accumulated deficit, it was also used from time to time as a supplementary source for meeting immediate cash-flow shortages.

¹⁷ A/C.5/36/28 and Corr.1 and 2, para. 22.

¹⁸ *Ibid.*, paras. 17-42.

¹⁹ *Ibid.*, para. 42.

²⁰ A/36/772, p. 3.

²¹ Financial regulation 4.3 reads:

"Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other obligation of the financial period. The balance of the appropriations shall be surrendered."

4.4 reads:

"At the end of the twelve-month period provided in regulation 4.3 above, the then remaining balance of any appropriations retained will be surrendered. Any unliquidated obligations of the financial period in question shall at that time be cancelled or, where the obligation remains a valid charge, transferred as an obligation against current appropriations."

²² G A (36), 5th Comm., 58th mtg., paras. 63-64.

²³ *Ibid.*, 63rd mtg., para. 42.

²⁴ See G A (36), 5th Comm., 63rd mtg.

²⁵ *Ibid.*

²⁶ A/C.5/33/12.

²⁷ G A (38), 5th Comm., 7th mtg., paras. 12-23, 26-32, 34-37, 39-40, 42-43, 46, 52, 63, 74-75.

²⁸ G A (34), 5th Comm., 87th mtg., para. 66.

²⁹ *Ibid.*, Suppl. No. 7, paras. 75-76.

³⁰ A/34/320, para. 4.

³¹ *Ibid.*, para. 33.

³² G A (37), Suppl. No. 38, para. 299.

³³ A/C.5/34/12.

³⁴ A/34/847, p. 5.

³⁵ *Ibid.*

³⁶ A/33/445/Add.4, p. 73.

³⁷ A/C.5/34/12.

³⁸ G A (38) , 5th Comm., 7th mtg., paras. 12-23, 26-32, 34-37, 39-40, 42-43, 46, 52, 63, 74-75.

³⁹ G A (38), Suppl. No. 6, para. 10.

⁴⁰ *Ibid.*, Introduction, para. 3 (a).

⁴¹ G A (38), Suppl. No. 7, para. 40.

⁴² G A (34), Suppl. No. 38, para. 340.

⁴³ A/C.5/35/40 and Add.1.

⁴⁴ G A (38), 5th Comm., 3rd mtg., para. 24; see also A/38/433, para. 30.

⁴⁵ A/C.5/34/21, para. 1

⁴⁶ *Ibid.*, para. 40.

⁴⁷ E S C resolution 1980/65.

⁴⁸ cf. G A resolution 34/55, para. 8.

⁴⁹ A/37/527.

⁵⁰ E S C resolution 1981/138; CHR resolution 9 (XXXVII).

⁵¹ See *Repertory, Supplement No. 5*, vol. I, under Article 17 (1), para. 47.

⁵² A/CONF.105/SR.1-3 and G A decision 35/441.

⁵³ G A resolution 39/125.

⁵⁴ G A (39), Plen., 102nd mtg.; *ibid.*, 1st Comm., 56th mtg., *ibid.*, 5th Comm., 39th and 44th mtgs.

⁵⁵ G A (34), Suppl. No. 7, paras. 54-55.

⁵⁶ A/34/570 and Corr.1, para. 4.