## Article 17 (1)

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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, 5, 6 and 7.

I. General survey

2. The main innovations introduced in the budgeting process by the General Assembly through its resolution 41/213 of 19 December 1986 were consolidated during the period 1989-1994. The first was the decision to adopt an outline of the programme budget with an indicative estimate, one year in advance, of the resources that would be needed. The second was the incorporation, also ex ante, of a contingency fund to cover part of the additional expenditures occurring during a biennium.1

3. These new components of the budgeting process were put into practice. The programme budget for the biennium 1990-1991 was prepared and adopted according to its outline and with a contingency fund,2 as were the programme budgets for the next two biennia.3 In December 1994, the Assembly adopted the outline for the programme budget 1996-1997, also with a contingency fund.4 The third innovation introduced by resolution 41/213 was the establishment of the “broadest possible agreement” on budgetary matters in the Fifth Committee before transmission of its recommendations to the General Assembly.5 This, too, was achieved. From its forty-fourth session, beginning in September 1989, to its forty-ninth session, beginning in September 1994, the General Assembly adopted all its resolutions on budgetary, financial and administrative matters, including resolutions on the financing of peacekeeping operations, without a vote.6

4. Two traditional difficulties, however, continued to hamper the reformed budgeting process of the United Nations. Both had intertwined technical and political aspects. They were the lack of predictability of the resources that would actually be requested from Member States during a biennium, and the setting of priorities among programmes and activities.

5. Predictability in budgetary and financial matters had been a long-standing objective of Member States. Reaffirmed during the preparation of resolution 41/213,7 it had two facets. It was an effort, particularly on the part of the major contributors to the budget of the United Nations, to control the growth of the budget.

1 See GA resolution 41/213, “Review of the efficiency of the administrative and financial functioning of the United Nations”, sect. II and annex I. For a review of the resolution and its immediate effects, see Repertory, Supplement No. 7, Article 17 (1), vol. II, under Article 17 (1).
2 See GA resolution 44/202, “Programme budget for the biennium 1990-1991”. The outline for this programme budget had been adopted by the Assembly in its resolution 43/214, “Proposed programme budget outline for the biennium 1990-1991 and use and operation of the contingency fund”.
4 See GA resolution 49/217, “Proposed programme budget outline for the biennium 1996-1997”.
5 See GA resolution 41/213, sect. II, para. 7 and annex II.
6 The resolution on the budget appropriations for the year 1989 (resolution 43/218) and the resolution on the outline for the programme budget 1990-1991 (43/214) had also been adopted without a vote. Before 1988, all budgets of the United Nations had been voted upon, and the last time a budget had been adopted “unanimously” (which is different from “without a vote”) was December 1946.
7 See GA resolution 43/214, para. 1.
The Secretary-General, when proposing his programme budget, should be guided by a pre-agreement among Member States, this agreement being reached by consensus and not by a vote. This result was achieved with the outlines. As documented in section II.B below, the programme budgets proposed by the Secretary-General during the period under review had estimates of required resources which were very close to the estimates approved in their outlines.

6. The other facet of the search for predictability was the control of additional requirements and appropriations during the execution of the biennial programme budget. Additional requirements, formulated in revised and supplementary budget estimates, had long been deplored. The introduction in each programme budget of a contingency fund was a palliative to this problem. It functioned well during the period under study, but it was, by design, only a partial palliative. In negotiating resolution 41/213, Member States had agreed to leave outside the scope of the contingency fund additional requirements stemming from both extraordinary and unforeseen expenditures, including those relating to the maintenance of peace and security, and from the variations in the level of expenditures resulting from inflation and currency fluctuations. Those two thorny issues did not have a good technical solution, nor were they amenable to satisfactory political compromise. Revised and final budget appropriations during these years were therefore almost as unpredictable as before the reform of the budget process. If final appropriations were not notably higher than initial appropriations — such was the case in particular with regard to the programme budget for the biennium 1994-1995 — this was mainly because of the reduction in the number of posts in the Secretariat that was a major provision of resolution 41/213.

7. The setting of priorities among the programmes and activities of the United Nations was the other traditional difficulty that was not, and perhaps could not, be mitigated by the reformed budget process. Prior to resolution 41/213, proposals of the Secretary-General and decisions of Member States on priorities were supposed to be a central part of the planning, programming and budgeting cycle adopted in the mid-1970s and formalized at the beginning of the 1980s in the Regulations Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. Priorities were indicated in the introduction to the medium-term plan, among the subprogrammes of each programme and, in the programme budget, among the programme elements of each subprogramme.

8. In its resolution 41/213, the General Assembly, while calling for the full implementation of the above-mentioned regulations pertaining to the medium-term plan,9 decided that the outline should contain, inter alia, an indication of priorities reflecting trends of a broad sectoral nature.10 This implicit judgement of the limited role of the medium-term plan in priority-setting was confirmed and extended to the whole system of planning and programming when the Assembly noted, in December 1993, that “in its present format the medium-term plan has a limited impact on the work of the Organization”.11

9. There is no evidence that this shifting from the medium-term plan to the outline as a vehicle to determine priorities was an improvement. Taking the example of the proposed programme budget outline for the biennium 1994-1995, presented in 1992, the Secretary-General identified priorities for the four parts of the budget, proposing significant increases within the proposed level of resources: (a) overall policymaking, direction and coordination; (b) political affairs; (c) international cooperation for development; and (d) human rights and humanitarian affairs.12 These four parts of the future budget represented 32 per cent of the total preliminary estimates (excluding staff assessment), and 55 per cent of these estimates leaving aside the parts concerning common support services, international justice and law, regional cooperation for development, and public information.13 The Committee for Programme and Coordination (CPC) noted these proposals of the Secretary-General and recommended that they be considered further by the General Assembly in the light of paragraph 12 of

9 See GA resolution 41/213, sect. II, para. 3 (a).
10 Ibid., annex I, para. 1 (b).
12 A/47/358, sect. III, paras. 10 to 12.
13 Ibid., annex.
Assembly resolution 45/253. The General Assembly, in its resolution on the proposed budget outline for the biennium 1994-1995, took note of the proposals of the Secretary-General on priorities, and of the comments of CPC, and requested the Secretary-General, when preparing the proposed programme budget for the biennium 1994-1995, to give particular attention to them and to the priorities contained in the introduction to the medium-term plan.

10. These changes, successes and difficulties in the management of the reformed budget process occurred in an institutional and political context with three major features: the persistence of the financial problems of the Organization; a focus by Member States on the Secretariat, its size, its composition and its methods of work; and, most significantly, a dramatic increase in the number of peacekeeping operations undertaken by the United Nations, coupled with the growing diversity of these operations.

11. The measures taken by the Assembly to increase the efficiency of the administrative and financial functioning of the Organization were aimed to restore the confidence and support of its Member States; and this trust was to be expressed through “the broadest possible agreement” — meaning consensus — on the budget and the fulfilment of financial obligations set out in the Charter and in the financial regulations. These legal obligations, explicitly stated in resolution 41/213 and in many prior and subsequent resolutions of the General Assembly — and applicable to both the regular budget and special accounts of peacekeeping operations — were to pay assessed contributions promptly and in full and to avoid the withholding of such contributions because of disapproval of particular programmes and activities of the Organization.

12. As already indicated above, all Member States found it possible to negotiate budgets and related resolutions with the objective of reaching a consensus. This practice began in 1988 and became established during the first half of the 1990s. Late and partial payments, including from the major contributor, continued, however, to hamper the financial functioning of the United Nations. In 1989, the Assembly noted with concern that the short-term deficit of the Organization, although marginally reduced during the year, was expected to reach approximately $315 million as at 31 December 1989. Also of concern were long delays in and partial payments and non-payments of assessed contributions to past and current peacekeeping operations. At the forty-fourth session, the Assembly stated that the current financial crisis threatened the financial solvency, stability and work of the Organization.

13. In 1990, the Assembly noted the improvement in the level of the short-term deficit, ... which it was estimated would be reduced to $260.7 million as at 31 December 1990, but expressed the same concerns and made the same exhortations to Member States to respect their legal obligations. In 1992, progress in the pattern of payments by Member States, notably for peacekeeping operations was acknowledged, but the Assembly expressed its regrets that the Organization had to operate with large arrears and unpaid contributions, and noted with concern that ad hoc measures had to be adopted during 1992, including borrowing from peacekeeping funds and delays in reimbursement to troop contributors. The “concern” of the General Assembly had become, in December 1994, a “profound concern about the financial situation of the Organization”, a situation resulting, inter alia, from the failure of Member States to discharge their financial obligations to the Organization in full and on time. The Assembly decided to consider additional measures aimed at ensuring a sound and viable financial basis for the Organization and, to that effect, to establish a high-level open-ended working group under the chairmanship of the President of the General Assembly and with two vice-chairmen. This group was
to report before the end of the forty-ninth session of the Assembly. Therefore, although the words “crisis” and “emergency” no longer appeared in the titles of the resolutions of the Assembly on the financial situation of the United Nations, the situation remained precarious eight years after the political agreement that made possible the adoption of resolution 41/213.

14. The reduction in the number of posts in the Secretariat of the United Nations was, at least by its budgetary consequences, the main measure taken by the Assembly in its resolution 41/213 to improve the efficiency of the administrative and financial functioning of the Organization. The target, to be implemented by the Secretary-General “with flexibility in order to avoid, inter alia, negative impact on programmes and on the structure and composition of the Secretariat”, was a 15 per cent reduction in the total number of posts and a 25 per cent cut in the number of posts at the level of Under-Secretary-General and Assistant Secretary-General. A first overall reduction of 12.1 per cent had been decided in 1988 when the Assembly had considered revised estimates for the biennium 1988-1989. This reduction was to be achieved by the end of the biennium and the cost of the 100 posts that the Assembly had restored in section 29, Conferences services, of the programme budget, was to be absorbed, including, to the maximum extent possible, through the elimination of additional posts. Moreover, the Secretary-General was requested, in further implementing recommendation 15 (on the reduction of posts), to take into account a number of “guidelines”, including workload analyses, where applicable, and to avoid “negative impact on programmes”.

15. This involvement of Member States in the implementation of the reduction of posts in the Secretariat became more pronounced during the period under review, particularly with regard to decisions on high-level posts. It also extended to a number of managerial issues. While the forty-fourth and forty-fifth sessions of the Assembly marked a sort of pause with regard to questions pertaining to posts and the structure of the Secretariat, at its forty-sixth session the Assembly adopted a resolution entitled “Revitalization of the United Nations Secretariat”, by which it approved the launching by the Secretary-General of a further process of restructuring and streamlining of the Secretariat, decided that such restructuring was a vital part of the reform and revitalization of the United Nations, and enumerated eight objectives that should be pursued. Among these were transparency in recruitment procedures and practices, including those for senior posts; improving the representation and the status of women in the Secretariat, in particular its higher echelons; ensuring a more effective application of the principle that the recruitment of staff should be on as wide a geographical basis as possible and that, as a general rule, no national of a Member State should succeed a national of that State in a senior post and there should be no monopoly on senior posts by nationals of any State or group of States; and rationalizing the structure of the Secretariat by dividing its major activities along functional lines in a way that would group them into a limited number of consolidated departments.

16. These objectives and the debates on their realization figured prominently in the work of the Fifth Committee during the forty-seventh session of the General Assembly. In December 1992, in the first part

20 GA resolution 49/143, second and third preambular paragraphs, and paras. 1, 2 and 3.
21 See GA resolution 41/213, sect. I, para. 1 (b). The figures — 15 per cent and 25 per cent — had been recommended in the report of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations (GA (41), Suppl. 49), which had been established by the Assembly in its resolution 40/237. For further details, see Repertory, Supplement No. 7, vol. II, under Article 17 (1).
22 See GA resolution 43/213, paras. 9 to 11.
23 Ibid., para. 13.
24 See GA resolutions 44/200 and 45/254. In resolution 44/200 A, the Assembly decided “to acknowledge that the Secretary-General is not in a position at the present stage to propose further post reductions” (para. 7 (b)); but it also decided “to consider (…) at its forty-fifth session, proposals that may be put forward by the Secretary-General for further implementation of recommendation 15 (…)” (para. 7 (c)); it also stressed “the need for greater transparency and coherence in personnel management” (para. 11). In resolution 45/254 A, the Assembly, inter alia, raised the issues of posts and programmes financed by extrabudgetary resources, in relation to the implementation of resolution 41/213 ( paras. 10, 11 and 12), and encouraged “the intention of the Secretary-General to develop management and workload analysis techniques” (para. 13).
25 Resolution 46/232.
26 Ibid., paras. 1 and 3.
of resolution 47/212, entitled “Review of the efficiency of the administrative and financial functioning of the United Nations and programme budget for the biennium 1992-1993”, the Assembly stressed that the restructuring of the Secretariat should be in conformity with the objectives and guidelines/principles set out in resolution 46/232 and in close consultation with Member States and relevant intergovernmental bodies. In the second part of resolution 47/212, adopted in May 1993, the Assembly accepted a revised appropriation for the biennium 1992-1993 as a result of the restructuring, but with a number of modifications of the proposals of the Secretary-General.

17. With regard to high-level posts, the Assembly decided to defer action on the proposal of the Secretary-General to abolish four posts of Assistant Secretary-General in the Department of Administration and Management and the post of Under-Secretary-General of the United Nations Centre for Human Settlements (Habitat). The downgrading of the level of the post of Executive Director of the International Trade Centre was also rejected. The intention of the Secretary-General to establish a new D-3 level in the hierarchy of posts in the Secretariat was noted and the observations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in this regard were endorsed. The restructuring of the Secretariat in the economic and social sectors, with the creation of three new departments, was also noted, including the commitment of the Secretary-General that such restructuring would lead to improved programme delivery as well as economies of scale.

On questions of management and working methods in the Secretariat, the Assembly reiterated its interest in the development of workload standards and reaffirmed its request that the Secretary-General establish a system of responsibility and accountability of programme managers.

18. These issues of structure, composition and management of the Secretariat, in relation with the demand for more efficiency in the administrative and financial functioning of the United Nations, again drew considerable attention in the Fifth Committee during the forty-ninth session of the General Assembly. It should be noted first that the General Assembly, in its resolution 48/218 A on the review of the efficiency of the administrative and financial functioning of the United Nations, considered it necessary to preface its decisions with a reminder of its power. In section I.A of that resolution, entitled “Mandates and prerogatives”, it expressed concern at the inadequate implementation of General Assembly mandates in some cases and the undertaking of non-mandated measures in other cases, and stressed again the importance of sustained, timely and substantive dialogue and consultations between the Member States and the Secretary-General. On the restructuring of the Secretariat, the Assembly took note of the indication of the Secretary-General that the Secretariat could now enter into a phase of consolidation, but expressed its regrets concerning the lack of analysis of the effects of the restructuring on programmes as well as the absence of a requested report on procedures and norms for the creation, suppression, reclassification, conversion and redeployment of posts. Regarding high-level posts, the Assembly decided to keep under review their number and distribution, including those financed from extrabudgetary resources, and requested the Secretary-General to provide a clear rationale for the establishment of such posts in the context of future proposals.

19. Three further decisions taken by the General Assembly in resolution 48/218 A reflected the will of

27 GA resolution 47/212 A, sect. II, para. 1; para. 2 reads as follows: “Reaffirms the role of the General Assembly with regard to the structure of the Secretariat, including the creation, suppression and redeployment of posts financed from the regular budget of the Organization, and requests the Secretary-General to provide the Assembly with comprehensive information on all decisions involving established and temporary high-level posts, including equivalent positions financed from the regular budget and extrabudgetary resources.”

28 GA resolution 47/212 B.

29 Ibid., sect. I, para. 3. Before the beginning of the post reduction, there were 57 high-level posts in the Secretariat. Before these proposals of the Secretary-General in May 1993, there were 36 high-level posts.

30 Ibid., sect. III, para. 12. ACABQ had stated that the “proposal was not viable in its current form” and that “it was not clear what was wrong with the current situation, in which there was a mix of career and short-term political appointees at the Assistant Secretary-General level” (see A/C.5/47/SR.59, para. 27).

31 Ibid., sect. III, para. 2.

32 Ibid., sect. III, paras. 5, 7 and 9.

33 GA resolution 48/218 A, sect. I.A.

34 Ibid., sect. I.C, paras. 2 and 3, and sect. I.E, para. 1.

Member States to intervene actively in the management of the United Nations.

20. First, upon the recommendation of the Committee for Programme and Coordination, the Assembly requested the Secretary-General to establish a transparent and effective system of accountability and responsibility in the Secretariat, and provided the guidelines for such a system.  

21. Second, the Assembly resolved that the decision to establish an additional and independent entity, taking into account Article 97 of the Charter, to enhance oversight functions, in particular with regard to evaluation, audit, investigation and compliance, be taken subject to the definition of its modalities, including its relationships with existing control mechanisms. This entity would be additional to the Board of Auditors and the Joint Inspection Unit. The Assembly prefaced this decision by recalling Articles 17 and 97 of the Charter and recognizing the increased importance, cost and complexity of United Nations activities and the need for an enhanced oversight function to ensure the effective implementation of these activities in the most cost-effective manner possible.  

22. Third, the Assembly decided to study the possibility of the establishment of a new jurisdictional and procedural mechanism or of the extension of mandates and improvement of the functioning of existing jurisdictional and procedural mechanisms. This decision was prefaced by a reference to the necessity for the proper management of resources and funds of the United Nations and to the determination to address alleged causes of fraud in the United Nations in an impartial manner, in accordance with due process of law and full respect for the rights of each individual concerned, especially the rights of defence. An ad hoc intergovernmental working group of experts in the legal and financial fields was to be established to make recommendations on this new jurisdictional and procedural mechanism.  

23. The sudden and large increase, in the first part of the 1990s, of the number of peacekeeping operations launched and managed by the United Nations would have been in itself ample justification for the observation of the General Assembly, noted above, regarding the increased importance, cost and complexity of the Organization’s activities. In 1989, there were eight operations, one of them launched that year, five existing since the 1970s or 1980s, one existing since 1964 and one since 1949.  

40 In 1994, the United Nations was engaged in 18 peacekeeping operations and had created two international tribunals.  

24. In addition to deciding on the funding of all of these operations though special funds, the Fifth Committee debated intensively various aspects of their administration and financing. At its forty-fifth session, the Assembly approved the establishment of a support account for peacekeeping operations.  

39 Ibid., sect. III.  

40 These eight operations were, in chronological order of their creation, the United Nations Military Observer Group in India and Pakistan, the United Nations Peacekeeping Force in Cyprus, the United Nations Disengagement Observer Force, the United Nations Interim Force in Lebanon, the United Nations Iran-Iraq Military Observer Group, the United Nations Angola Verification Mission, the United Nations Transition Assistance Group and the United Nations Observer Group in Central America.  

41 The two international tribunals were the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (resolution 47/235 of 14 September 1993); and the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January 1994 and 31 December 1994 (resolution 49/251 of 20 July 1994). The list of peacekeeping operations undertaken during the period is given in section G of the present study.  

42 See GA resolution 45/228, para. 9.
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reserve fund. More detailed information on peacekeeping operations and their management by the Assembly is provided in section G below.

25. Because of the greatly increased number of peacekeeping operations, and because of the unfolding of the reform launched in 1986 through resolution 41/213, the Fifth Committee had to meet more and more frequently after the closing of the sessions of the Assembly at the end of the year. Furthermore, the adoption of all resolutions on budgetary, financial and administrative matters by consensus required lengthy informal and formal negotiations. This increase in the workload of the Committee prompted it to adopt a biennial approach to the consideration of the agenda items allocated to it, with the exception of those specifically mandated to be considered annually, as required, or on an ad hoc basis. The Committee noted that the success of this method of work depended partly on the timely submission of documents by the Secretary-General and the advisory bodies.

II. Analytical summary of practice

A. The scope of the budget

1. What the budget comprises

26. After the introduction of a planning, programming and budgeting cycle in the 1970s, and the decision in 1986 to have an outline preceding the biennial programme budget, the budget of the United Nations was composed of four components: the medium-term plan, the outline of the programme budget, the programme budget and the special accounts for peacekeeping and related operations of the Organization. These special accounts, which had been established at the beginning of the 1960s, had not been part of the planning, programming and budgeting cycle.

27. During the period 1989-1994, two medium-term plans were to provide the framework for the programme budget: the medium-term plan for the period 1984-1989, which had been prolonged until 1991, and the medium-term plan for the period 1992-1997. The first was analysed in the study on Article 17 (1) in Supplement No. 7 of the Repertory. The second, which was the sixth medium-term plan of the organization, and was adopted in December 1990, had a new simplified programme structure that was welcomed by the Assembly. But the Secretary-General was requested to pursue his efforts to achieve greater concision, clarity, analytical rigour and prospective orientation of the plan, and was encouraged to continue to review its structure, format and content with a view to enhancing the usefulness of the plan as a tool for managing the activities of the Organization.

1992, the Assembly adopted revisions to this plan, it reaffirmed that the medium-term plan was the principal policy directive of the United Nations, and it also endorsed the recommendation of CPC that a prototype of a possible new format of the medium-term plan should be presented to the Committee at its thirty-third session, in 1993. With a view to the implementation of this prototype, the Assembly agreed with CPC that a technical seminar of experts should be convened to assist the Secretariat, “without additional cost to the Organization”. The Assembly reiterated its request at its forty-eighth session, noting that consideration should be given of replacing the current medium-term plan by a document prepared along a different format. This issue was not considered at the forty-ninth session of the Assembly.

28. Three programme budget outlines were adopted by the General Assembly during the six years covered by the present study. In presenting his proposed programme budget outline for the biennium 1992-1993, the second such instrument since the Assembly had decided, by resolution 41/213, to reform the budget process, the Secretary-General stated that “the outline ... is not a preliminary programme budget. As a preliminary estimate of resources to accommodate the proposed programme of activities during the biennium, it is general in nature and attempts to establish, within the framework of the medium-term plan, broad resource projections developed at a high level of aggregation. However, the development of a proposed
programme budget requires detailed programming and the review and establishment of requirements at the lowest level.\textsuperscript{49} The preliminary estimate for 1992-1993 was slightly less than $2 billion, at 1990-1991 rates, or a projected rate of real growth at zero per cent. The size of the contingency fund was set at 0.75 per cent of the total estimate, which was the same percentage as in the first outline, and it remained so in the following two outlines. For the biennium 1992-1993, the proposals of the Secretary-General were endorsed by ACABQ and then by the Assembly. A similar uneventful process characterized the adoption of the outlines for the budgets for the bienniums 1994-1995 and 1996-1997. However, processes relating to costing and recosting remained arduous and rendered somewhat non-transparent estimates of apparent and real growth and comparisons of estimates over time.\textsuperscript{50} In addition, as noted in the general survey above, the role of the outline in determining priorities for the programme budget remained unclear, as did the articulation of priorities set in the outline with priorities indicated in the medium-term plan.\textsuperscript{51}

29. The structure of the three programme budgets\textsuperscript{52} adopted by the General Assembly during the six years under review remained very much as it had been since the introduction of a planning, programming and budgeting cycle in the mid-1970s. There were between 10 and 12 parts, corresponding roughly to the major programmes of the medium-term plan, and between 31 and 36 sections, these being generally identical to departments or equivalent entities of the Secretariat. Some changes in this structure should be mentioned, however, as they reflect changes in mandates, in the relative importance attached by Member States to different types of activities of the Organization, and in the structure of the Secretariat.

30. In the programme budget for the biennium 1992-1993, a new part, entitled “Human rights and humanitarian affairs”, was created, comprising three sections, on Human rights, protection and assistance to refugees, and disaster relief operations, that had previously been contained in one very large part on economic, social and humanitarian activities.\textsuperscript{53} To this new part was added in the biennium 1994-1995 a new section, “Department of Humanitarian Affairs”. Also in the 1992-1993 programme budget, the former part on economic, social and humanitarian activities was split into a part on international cooperation for development and a part on regional cooperation for development. The part on international cooperation for development lost three sections in the 1994-1995 programme budget, as the post of Director-General for Development and International Economic Cooperation was discontinued and the activities on transnational corporations and science and technology for development were integrated into the United Nations Conference on Trade and Development, located in Geneva. A section on activities on global social development issues, created for the biennium 1988-1989, became a section on social development and humanitarian affairs in the biennium 1992-1993, and was omitted altogether in 1994-1995, while a new section, “Crime control”, was added to the less recent section on international drug control. Also in the biennium 1994-1995, a new section and part, entitled “Office for Inspection and Investigations”, which was rapidly modified to “Internal oversight services”, was added to the programme budget of the United Nations.

31. The fourth and in many ways separate component of the budget of the Organization comprised the special accounts for peacekeeping operations. As mentioned above in the general survey, what characterized the period under review was a great surge in the number of these operations. Section G is devoted to this question.

\textsuperscript{49} See A/45/369, para. 4.

\textsuperscript{50} In its resolution 47/213, the General Assembly reaffirmed once more the “need for a comprehensive and satisfactory solution to the problem of controlling the effects of inflation and currency fluctuation on the budget of the United Nations” (see para. 7).

\textsuperscript{51} In his report proposing the outline for the programme budget 1996-1997, the Secretary-General noted the following: “In preparing the outline, special attention has been paid to political affairs, international and regional cooperation for development and human rights and humanitarian affairs, taking into account priorities identified in the medium-term plan and noted by the General Assembly in its resolution 45/253 as well as general trend of a broad sectoral nature. In addition, the strengthening of the oversight functions of the Organization is deemed desirable” (A/49/310, para. 13). In its resolution on the outline (resolution 49/217), the Assembly made no reference to priorities.


\textsuperscript{53} Until the biennium 1980-1981 there had been a separate part containing the section on human rights.
2. Revised and supplementary budget estimates

32. The decision of the General Assembly in resolution 41/213 that each programme budget would include a contingency fund expressed as a percentage of the overall budget level to accommodate additional expenditures relating to the biennium and derived from legislative mandates not provided for in the programme budget or from revised estimates, except when these would arise from the impact of extraordinary expenses as well as fluctuations in rates of exchange and inflation,54 was implemented with the programme budget for the biennium 1990-1991. The mode of operation of the contingency fund had been elaborated in resolution 42/211.55 The fund was set at $19 million for 1990-1991, or 0.75 per cent of the total initial appropriation.56 In December 1989, at the time of the approval by the Assembly of the programme budget for the biennium 1990-1991, a consolidated statement of the additional requirements contained in approved statements of programme budget implications and revised estimates approved by the Assembly was submitted by the Secretary-General. After endorsement by the Assembly, these requirements were added to the appropriations for 1990 and drawn from the contingency fund, which was then left, at the beginning of the biennium, with a balance of $13.12 million.57 In 1990, a similar process occurred and the Assembly noted that a balance of $3.2 million was left in the contingency fund.58 For the next two programme budgets, those for the bienniums 1992-1993 and 1994-1995, the process was the same. The contingency funds were decided at $18 million and $19 million and the ending balances were $11.7 million and $1.4 million.59 In the outline for the programme budget for the biennium 1996-1997, adopted by the Assembly in December 1994, the contingency fund was again set at 0.75 per cent of the preliminary estimate for that biennium, or $20.6 million.

33. Thus, during these first years of the operation of contingency funds, revised estimates and additional expenditures could be accommodated within the relatively modest limits set for these funds, and there were even “surpluses”. It should be recalled, however, that revised estimates resulting from unforeseen and extraordinary expenses related to peace and security, or due to variations in inflation and exchange rates, were not drawn from the contingency funds. Also, this period was marked by a post reduction and a restructuring of the Secretariat. These generated a large number of revised estimates and transfers of resources between sections of programme budgets, but more often with decreased requirements than with demands for additional appropriations. Thirdly, in a context of budgetary reform, post retrenchment and continuous financial difficulties, both Member States and the Secretariat, in their interplay for decisions on new or renewed mandates, exerted a level of restraint that, although difficult to document, was in marked contrast with the attitudes that prevailed in the 1970s and early 1980s. In draft resolutions, the phrase “within existing resources” became an often preferred alternative to the negotiations involved in a statement of programme budget implications.

34. The Working Capital Fund remained at $100 million for the three programme budgets of the period under review, a level that had been established in 1981.60 Some provisions of the resolutions on unforeseen and extraordinary expenses did change, however.61 With regard to the budget for the biennium

54 See GA resolution 41/213, annex I, paras. 9 and 11.
55 GA resolution 42/211, annex. Specifications included the following: “The fund covers additional expenditures relating to the biennium which are based on decisions taken in the year preceding the biennium and during the biennium” (sect. B, para. 1); “Starting with the budget year (i.e. the year before the commencement of the biennium) and continuing throughout the biennium, the General Assembly would decide on the actual amounts to be utilized from the fund on the basis of statements of programme budget implications and proposals for revised estimates” (sect. C, para. 2); “A deadline should be set for the consideration of statements of programme budget implications and proposals for revised estimates. After that date, the Secretary-General would prepare and submit a consolidated statement of all programme budget implications and revised estimates considered at that session by the General Assembly. ... Should the consolidated amount be within the available balance in the contingency fund, the Assembly would proceed to appropriate the required amounts under the relevant sections of the programme budget (sect. C, para. 5).
56 See GA resolution 43/214, para. 6.
57 See GA resolution 44/201 A, sect. IX.
58 See GA resolution 45/248 A, sect. XV.
59 See GA resolutions 45/255 and 47/213 on the outlines for these two biennia and GA resolutions 46/185, 47/219, 48/230 and 49/219 for the balances in the contingency funds.
60 See GA resolutions 44/203, 46/187 and 48/229.
61 The three GA resolutions adopted during the period on unforeseen and extraordinary expenses were resolution 44/204, 46/188 and 48/232.
1990-1991, the limit for commitments related to peace and security under which the Secretary-General did not need prior concurrence of ACABQ was raised from $2 million to $3 million.\(^{62}\) and it was raised again, to $5 million, for the biennium 1994-1995.\(^{63}\) The same limit, but for commitments related to inter-organizational security measures, was put at $500,000 for the biennium 1992-1993 and remained at this level in the next biennium.\(^{64}\) This provision for security measures had been added in 1987 to the traditional clauses of the resolutions on unforeseen and extraordinary expenses.\(^{65}\)

B. The process of considering and approving the budget

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

35. The Programming Planning and Budgeting Board, an internal body chaired by the Director-General for Development and International Economic Cooperation, which had assisted the Secretary-General since the beginning of the 1980s in preparing his proposed programme budgets, was discontinued at the time of the preparation of the programme budget for the biennium 1992-1993.

36. A change was made in the presentation of the programme budgets proposed by the Secretary-General starting with the biennium 1994-1995. Following a recommendation of the Committee for Programme and Coordination, a seminar was convened in April 1992 and the General Assembly approved the suggested revised format in December 1992.\(^{66}\) The main innovation was the presentation of the programme budget in two parts. Part I replaced and expanded on the former introduction by the Secretary-General and addressed questions of policies and objectives for the period. It also described the budget methodology and was accompanied by summary tables and annexes providing the essential information on the proposed activities and requested resources. Part II comprised a detailed section-by-section analysis of the programme budget. In the report of the Secretary-General on the recommendations of the seminar, it was recognized that “the programme budget is excessively complex in its methodology and presentation and also that it needs to be improved in order to become a more useful management tool for programme managers; ... a more efficient way to convey information on the broad policies of the Organization to Member States; and, for intergovernmental bodies, an easier means of participating in the programmatic review”.\(^{67}\)

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

37. As the workload of the Fifth Committee increased considerably with the unfolding of the decisions taken in resolution 41/213 and the large increase in the number and diversity of peacekeeping operations, the General Assembly adopted a growing number of its resolutions on budgetary, financial and administrative matters late in its sessions. Whereas the Assembly at its forty-third session adopted only three resolutions recommended by the Fifth Committee after the end of December, at its forty-fourth session it did so for 13 resolutions, at its forty-fifth, forty-sixth and forty-seventh sessions for 8 to 11, at its forty-eighth for 35 and at its forty-ninth for 19. At the end of each year a number of resolutions were adopted together, on 22 or 23 December, as a sort of “package” that was the result of the numerous informal negotiations rendered necessary by the agreement to reach consensus on budgetary and related matters.

38. A related development during the period was the involvement of Member States in the details of the administration of the United Nations. In considering programme budgets, revised estimates, the implementation of resolution 41/213 and matters such as the composition of the Secretariat or reclassification of posts, the Fifth Committee explored in detail both macro and micro issues. The intensity of the debates and the quantity of requests for explanations and justifications by the Secretariat were perhaps unavoidable given the centrality of the reduction of posts in the process of the search for efficiency in the administrative and financial

\(^{62}\) See GA resolution 44/203, para. 1 (a).
\(^{63}\) See GA resolution 48/229, para. 1 (a).
\(^{64}\) See GA resolution 46/187, para. 1 (c).
\(^{65}\) See GA resolution 42/227, para. 1 (c).
\(^{66}\) The recommendation of the Committee for Programme and Coordination was approved in GA resolution 46/185 B, sect. VIII; the report of the seminar is contained in A/C.5/47/3. The Assembly endorsed the proposed changes in resolution 47/212, sect. III, para. 1.
\(^{67}\) See A/C.5/47/3, para. 4.
functioning of the United Nations. But the result was a certain tension between the rigorous application of Article 17 and respect for Article 97. This was implicitly recognized in several resolutions of the Assembly when solemn references to these two Articles of the Charter were juxtaposed and when the Assembly considered it necessary to recall its prerogatives. 68

3. Voting on the budget

39. All resolutions on budgetary, financial and administrative matters, including resolutions on the financing of peacekeeping operations, were adopted by the General Assembly without a vote. As already noted, this practice had started in December 1988.

C. Administration of the budget

1. The nature of the power vested in the Secretary-General

40. There was no change in the financial regulations setting the powers of the Secretary-General with regard to the administration of the budgets of the United Nations. However, the difficulties experienced during this period and mentioned above are best illustrated by the delayed final appropriation for the budget for the biennium 1990-1991 and the comments made by the Assembly. In December 1991, in its resolution on the final budget appropriations for the biennium 1990-1991, the Assembly stated that, “In addition to the final appropriation approved …, a net amount of up to $13,867,100 may, with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, be committed in respect of the regular budget for the biennium 1990-1991 to such supernumerary staff should not have been effected without the prior approval of the Assembly.” 69

41. When, in December 1994, the budget for the biennium 1990-1991 was finally put to rest, the Assembly made the following points: it regretted the decision of the Secretary-General made without prior approval; it also regretted the lack of transparency in the reports to the Assembly regarding payments of supernumerary staff; it took note of his intention to complete the retrenchment mandated by the Assembly; and it requested him to exercise the utmost discipline in financial management to ensure compliance with the Financial Regulations and Rules, including rule 114.1 on personal responsibility, and to include full implementation of those regulations and rules as a specific indicator in the performance appraisal of all managers. 70

2. Transfers between sections of the budget

42. As had traditionally been the case, transfers between sections of the programme budget required the concurrence of ACABQ. A characteristic of the period, however, was the magnitude of such transfers, which were mostly prompted by the reduction of posts and the restructuring of the Secretariat. A prominent example was reflected in the resolution adopted by the Assembly in May 1993 on the revised appropriations for the biennium 1992-1993. Transfers of resources concerned 25 sections of the budget and the sums involved were significant. On this occasion, the Assembly reiterated that transfers of resources between sections of the programme budget should be made in accordance with financial regulation 4.5 and financial rule 104.4. 72

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


43. It is worth mentioning that during the period under review the Assembly placed a renewed emphasis on the role of the statements of programme budget

68 See, in particular, GA resolutions 47/212 B and 48/218 I.
69 See GA resolution 46/184 C, para. 2.
70 See GA resolution 49/218, third preambular paragraph.
71 Ibid., paras. 1, 2, 3 and 4.
72 See GA resolution 47/212 B, annex and para. 11 of sect. III.
implications in the budgetary process. In 1989, the Assembly requested the Secretary-General to extend progressively, and insofar as feasible, the provision of statements of programme budget implications to all subsidiary bodies of the General Assembly and the Economic and Social Council in order to facilitate their decision-making process, and to keep under review the format and content of statements of programme budget implications in the context of the new budgetary process. In 1990, it reiterated the importance of the review of the procedures for the provision of programme budget implications, in particular in relation with the use of contingency funds. The demand for a systematic submission of programme budget implications was repeated in 1992. As indicated above in section A.2, this insistence that decisions of intergovernmental bodies be taken only after precise information has been received on their impact on programmes and on their costs seemingly brought some change in the culture of the Organization.

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

44. As in the previous period, the cost of servicing United Nations meetings and conferences was a matter of concern, but the dominant preoccupation remained the size, composition and structure of the Secretariat. It has been emphasized repeatedly in this review that the reform of the Organization launched by resolution 41/213 was, at least during the second part of the 1980s and the first part of the 1990s, focused on questions of posts and staff, notably the number of high-level posts and the geographical distribution of their incumbents.

45. Added in 1993 to this issue of high-level posts was the concern of Member States with special representatives, envoys and related positions. As requested by the Assembly two months earlier, the Secretary-General issued, in November, a report on those categories of persons who were at the under-secretary-general and assistant secretary-general level, but were not included in the regular staffing table of the Organization and therefore not subject to the post reduction. The report contained detailed information on the 37 positions concerned and on their financing, and provided elaborate arguments to justify their creation. Most of them — 22 out of 37 — were involved with peacekeeping and related operations, and 14 were assisting the Secretary-General, notably in his good offices function. Four of these officials received a $1 a year honorarium. While agreeing to report to ACABQ when such appointments were made in the context of the maintenance of peace and security, the Secretary-General stressed “the need for the Organization to be able to respond rapidly to evolving situations and to new developments affecting the complexity of the responsibilities of heads of mission”. The General Assembly took note of the report and requested the Secretary-General to clarify the contractual arrangements and form of remuneration used for a number of these appointments and to develop guidelines and criteria to that effect. The Assembly also requested the Secretary-General to ensure that the number of such appointments be kept to a minimum and that current financial regulations and budgetary procedures be fully complied with. A new report was to be presented at the forty-ninth session of the General Assembly.

46. Another issue that emerged during these years was the extent to which the regular budget could participate in the financing of the support for peacekeeping operations. In his proposed outline for the programme budget for the biennium 1996-1997, the Secretary-General had indicated that part of an additional requirement amounting to $6 million would be needed for the reinforcement of the current infrastructure for backstopping peacekeeping operations. ACABQ, in its report to the Assembly on the outline, indicated that it had been informed that $5 million related to the backstopping of peacekeeping operations and that, having enquired about the rationale for the proposal, it had been told that the involvement of the regular budget in support of peacekeeping activities was necessary in order to have in the Secretariat a basic and permanent capability to address peacekeeping issues. The Advisory Committee stressed that “the analysis of the criteria for deciding
how support activities are to be financed should be considered thoroughly in all its aspects, including various options to be considered" and expressed its intention to consider the question in February 1995.82 The Assembly, in its resolution on the proposed outline, noted that the preliminary estimate included a provision to reinforce backstopping of peacekeeping operations, and requested the Secretary-General, in preparing his proposed programme budget for the biennium 1996-1997, to base his request on such decisions that the General Assembly might take on the question of criteria for sharing the costs of backstopping peacekeeping operations.83

**3. Powers of the General Assembly to approve or disapprove obligations incurred by the Organization

4. Budget ceiling

47. The words “budget ceiling” were not used, in either resolutions or reports, but the outline of the forthcoming programme budget, a new step in the budget process decided in resolution 41/213 and applied first for the programme budget for the biennium 1990-1991, was a de facto limit for the resources requested by the Secretary-General in the programme budgets he proposed during the period.84 The language used by the Assembly in its resolutions on the outlines ought to be noted. The Assembly invited the Secretary-General to prepare his proposed programme budget for the biennium on the basis of the total preliminary estimate provided by the Advisory Committee.85 The three programme budgets presented were very close to the preliminary estimates given in their outlines. Revised and final appropriations for these bienniums could not be so strictly controlled, even with contingency funds, because the longstanding issues of inflation and currency fluctuation remained unsolved and, more importantly, because the life of a complex and relatively large international organization could not be rigidly programmed.86

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

1. The Board of Auditors

48. In December 1993, the General Assembly invited the Board of Auditors, in consultation with the Secretary-General, to report to the Assembly at its forty-ninth session, through ACABQ, on the implications of extending the terms of office of members of the Board of Auditors to four or six years.87 One year later, the Assembly noted that this question would be considered under the item “Review of the efficiency of the administrative and financial functioning of the United Nations”.88

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

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

49. As requested in its resolution of December 1985 on financial reports and audited financial statements and reports of the Board of Auditors, the Assembly received, for its forty-fourth and following sessions, a concise summary of the principal findings, conclusions and recommendations of common interest contained in the reports of the Board of Auditors.89

50. Among the new or renewed issues of concern to the Assembly during the period under study was the need to standardize the presentation and format of

82 See A/49/796, para. 5.
83 See GA resolution 49/217, para. 5.
84 Proposed programme budget for the biennium 1990-1991 (see GA resolution 44/202); proposed programme budget for the biennium 1992-1993 (see GA resolution 45/255); and proposed programme budget for the biennium 1994-1995 (see GA resolution 47/213).
85 The same language was used in all the resolutions of the General Assembly on the outlines of the programme budget: resolutions 43/214, 45/255, 47/213 and 49/217. See, for example, resolution 49/217, para. 4.
86 See Repertory, Supplement No. 7, vol. II under Article 17 (1), sect. II.D.4, for references to previous attempts to establish a ceiling for the budget of the United Nations.
87 See GA resolution 48/216 D, para. 2.
88 See GA resolution 49/216 A, para. 11. The decision was finally taken in April 2001; the term of office of members of the Board of Auditors was approved at a non-consecutive term of six years duration, commencing 1 July 2002: see GA resolution 55/248.
89 See GA resolution 44/183, first preambular paragraph. The other yearly resolutions on the same subject adopted by the Assembly during the period 1989-1994 were resolutions 45/235, 46/183, 47/211, 48/216 and 49/216.
financial statements and accounting policies among United Nations organizations and programmes. The Assembly stressed such need in 1989, noted efforts and progress at its forty-fifth and forty-eighth sessions and, at its forty-ninth session, welcomed the effort made by organizations generally to comply with the United Nations common accounting standards for the biennium 1992-1993 and noted that further work needed to be done. United Nations system common accounting standards had been developed during the preceding years.90

51. Another issue was procurement procedures and practices. In December 1990, the Assembly expressed its concern with regard to the findings of the Board of Auditors that procurement procedures were not being fully complied with and requested the administrations involved to take immediate action.91 In December 1993, it reiterated its demand.92 In December 1994, the Assembly devoted a full section of its resolution on this issue of procurement practices. It expressed deep concern at the cases of violations of the financial regulations and stressed the importance of the Board of Auditors and of the newly created Office of Internal Oversight Services in the identification and investigation of financial and budgetary irregularities. It emphasized the need to take appropriate disciplinary measures in cases of financial and budgetary irregularities and expressed concern at the potential for conflicts of interest which might arise when the United Nations employs in the procurement area former employees of supplier companies to the Organization. It requested the Secretary-General to submit a report, no later than 30 April 1995, containing proposals for the improvement of the procurement activities of the Secretariat.93

52. The control of the use of extrabudgetary resources was also an issue that the Assembly encouraged the Board of Auditors to consider. First, it requested the Board to ensure regular audit coverage of all extrabudgetary expenditures, including the various trust funds managed by the Secretary-General or the executive heads of United Nations organizations and programmes.94 It repeated this request in 1991.95 Then the Assembly invited the Board to report at its discretion on the efficient and effective utilization of trust funds under the control of the Secretary-General.96

53. In December 1991, the Assembly requested the Board of Auditors to ensure regular audit coverage of the accounts of the various peacekeeping and special missions.97 This was the year which saw the number of peacekeeping operations reach 11, including with the launching of two complex undertakings, the United Nations Protection Force (UNPROFOR) in the former Yugoslavia and the United Nations Transition Authority in Cambodia (UNTAC). One year later, the Assembly requested the Secretary-General to submit to the Board of Auditors in a separate document financial reports and financial statements for peacekeeping operations and then to submit the reports and statements together with the recommendations of the Board thereon to the General Assembly, without precluding the presentation of consolidated financial statements of the United Nations.98 The submission of this separate document, by the Secretary-General and the Board of Auditors, was welcomed by the Assembly in its resolution of December 1994, and the Board was invited to develop this format further, in particular by providing more detailed information for the larger peacekeeping operations. Also in that resolution, the Assembly expressed concern for the management of the “cash counts” and the “non-expendable property” of peacekeeping operations. The General Assembly also requested the Secretary-General to consult with the Board of Auditors on appropriate measures to avoid the recurrence of the qualification of the audit opinion of the financial statements of the United Nations peacekeeping operations.99

54. The General Assembly, at its forty-seventh session, took note with concern of the findings of the Board of Auditors and requested the Secretary-General and the executive heads of United Nations organizations and programmes to take measures in a series of very general and very specific domains: the strengthening of budgetary control in order to avoid the

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90 See GA resolutions 44/183 (sixth preambular paragraph), 45/235 (sixth preambular paragraph), 48/216 C and 49/216 D.
91 See GA resolution 45/235, para. 10.
92 See GA resolution 48/216 B, para. 6.
93 See GA resolution 49/216 C.
94 See GA resolution 45/235, para. 17.
95 See GA resolution 46/183, para. 8.
96 See GA resolution 47/211, para. 17.
97 See GA resolution 46/183, para. 22.
98 See GA resolution 47/211, para. 5.
99 See GA resolution 49/216 B.
overexpenditure of approved budgets and allotments; to make purchasing policy more cost-effective and transparent, inter alia, by reducing the number of exceptions to competitive bidding; to give priority to compliance with the recommendations of the Board on the hiring, granting of remuneration and performance evaluation of experts, consultants and personnel engaged on a short-term basis; to install a more effective system of managing and controlling the granting of allowances and benefits to staff members; to tighten control over the inventory of non-expandable property; and to report on these matters at its forty-eighth session. At that session, the Assembly noted with deep concern that, with a few commendable exceptions, most United Nations organizations and programmes had taken no steps to address the requests contained in paragraphs 9 and 10 of its resolution 47/211. Paragraph 9 is summarized above and paragraph 10 dealt with timetables for compliance with the recommendations of the Board of Auditors.

55. At its forty-sixth session, the General Assembly urged the Secretary-General and the executive heads of United Nations organizations and programmes to report to the General Assembly at its forty-seventh session through their respective governing bodies, on the implementation of effective measures to facilitate reporting by staff members on a confidential basis with due regard to considerations of privacy, of any inappropriate use of resources of a United Nations organization or programme. At its forty-seventh session, the Assembly took note of the report of the Secretary-General on measures to facilitate reporting by staff members of inappropriate uses of the resources of the Organization. It also expressed its concern about the cases of deficiencies in programme and financial management and inappropriate or fraudulent use of resources reported by the Board of Auditors, and other such alleged cases. It also called the attention of the Secretary-General to the implications that the findings of the Board of Auditors about the management of the Organization might have for the image of the United Nations. This was the last paragraph of resolution 47/211. In the preceding paragraph, however, the Assembly noted with concern that the opinion of the Board of Auditors on the financial statements of the United Nations was subject to the ultimate resolution of unpaid assessed contributions from Member States.

56. In the resolution adopted at its forty-ninth session, the General Assembly stressed the importance of the role of the Board of Auditors and of the Office of Internal Oversight Services in the identification and investigation of financial and budgetary irregularities and in the verification of adequate controls established by the Secretary-General for preventing their occurrence.

4. Machinery for control and investigation of administrative and financial activities

57. The General Assembly decided, on 29 July 1994, to create the Office of Internal Oversight Services. Having recalled Article 17 and reaffirmed Articles 97 and 101 of the Charter, it recognized the increased importance, cost and complexity of United Nations activities, recalled its decision of December 1993 to establish an additional independent entity to enhance oversight function, in particular with regard to evaluation, audit, investigation and compliance, reaffirmed the roles of the Board of Auditors, the Joint Inspection Unit, and the mandates of relevant intergovernmental and expert bodies in the field of administration, budgetary and management matters, and decided to establish the Office, the head of which would be at the rank of Under-Secretary-General. This official was to be appointed by the Secretary-General and approved by the General Assembly for one fixed term of five years without the possibility of renewal. He or she may be removed by the Secretary-General only for cause and with the approval of the Assembly.

58. The purpose of this new office was to assist the Secretary-General in fulfilling his internal oversight responsibilities in respect of the resources and staff of the Organization through the exercise of the following functions: (a) monitoring; (b) internal audit; (c) inspection and evaluation; (d) investigation; and

100 See GA resolution 47/211, para. 8.
101 Ibid., para. 9 (a) to (e).
102 See GA resolution 46/183, para. 17 (b).
103 See GA resolution 47/211, second and fifth preambular paragraphs.
104 Ibid., paras. 22 and 23.
105 See GA resolution 49/216 C, fourth preambular paragraph.
106 See GA resolution 48/218 B, preambular paragraphs and paras. 1 to 4.
107 Ibid., para. 5 (a) and (b).
(e) implementation of recommendations and reporting procedures. Function (d), investigation, was explained as follows: “The Office shall investigate reports of violations of United Nations regulations, rules and pertinent administrative issuances and transmit to the Secretary-General the results of such investigations together with appropriate recommendations to guide the Secretary-General in deciding on jurisdictional or disciplinary action to be taken. In addition to these functions, the Office of Internal Oversight Services was to provide support and advice to management, including by ascertaining that programme managers were given methodological support and encouraging self-evaluation. The Office of Internal Oversight Services replaced the Office for Inspections and Investigations that the Secretary-General was in the process of establishing.

F. Extrabudgetary funds

1. General statement

59. As the amount of extrabudgetary funds voluntarily provided to the United Nations to finance its activities grew — in absolute terms and in relation to the regular budget — and as Member States’ involvement in the management of the Organization became more pronounced, the Assembly’s interest in these funds became more precise. ACABQ had drawn the attention of the Assembly to this matter in its report on the programme budget for the biennium 1988-1989. At its forty-fourth session, the Assembly, among a large number of requests, demanded the presentation in future budget documents of the actual regular budget and extrabudgetary expenditure by object of expenditure and by section for the prior and current bienniums, to enable comparison with the request contained in the proposed programme budget.

60. At its forty-eighth session, in the context of deploiring the extraordinary and unacceptable delay in the submission of the proposed programme budget for the biennium 1994-1995 by the Secretary-General, which had compelled the General Assembly and its subsidiary organs to conduct a review on the basis of incomplete and inadequately transparent proposals, the Assembly, among a large number of requests, demanded the presentation in future budget documents of the actual regular budget and extrabudgetary expenditure by object of expenditure and by section for the prior and current bienniums, to enable comparison with the request contained in the proposed programme budget.

2. The principal extrabudgetary programmes

61. During the first part of the 1990s, as had been the case in the 1980s, the United Nations did not create a financially significant programme financed by voluntary contributions. Trust funds, however, continued to be created, but at a slower pace: only one in the period 1989-1994, compared with five in the period 1984-1989. The new trust fund was the United Nations Voluntary Trust Fund on Contemporary Forms of Slavery, launched by the General Assembly in December 1991 upon the recommendation of the Third Committee.

62. The Assembly continued to adopt resolutions, yearly or every other year, on established trust funds in order to comment on the reports on their activities and to call for voluntary contributions on the financing of these funds.

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108 Ibid., para. 5 (c).
109 Ibid., para. 5 (c) (iv).
110 Ibid., para. 5 (d).
111 Ibid., eighth preambular paragraph, and A/48/640.
113 See GA resolution 44/200 B, fourth preambular paragraph and para. 6.
114 See GA resolution 47/212 A, sect. I, para. 4.
115 See GA resolution 48/228, paras. 2 and 9.
116 See GA resolution 46/122.
117 For example, the United Nations Trust Fund for the Victims of Torture was considered by the Assembly in its resolutions 46/110, 47/109 and 49/176.
3. Raising funds for extrabudgetary purposes

The General Assembly confirmed in 1990 that the annual United Nations Pledging Conference for Development Activities was maintained as it remained the principal opportunity for Member States and others to pledge their contributions. Pledges in writing were encouraged. The duration of the conference was limited to two sessions, which were held early in November.118 The World Food Programme continued to have its own biannual pledging conference,119 as did some other programmes.120

4. Control of extrabudgetary funds

The General Assembly requested the Board of Auditors to increase its work on the management of extrabudgetary resources by the United Nations (see sect. E.3 above).

G. Special accounts for peacekeeping and related operations of the United Nations

1. Purpose and limit of the accounts

As indicated in the general survey, the first part of the 1990s saw the launching by the Security Council of an unprecedented number of peacekeeping operations and the related setting by the General Assembly of special accounts to administer the funds appropriated for these operations.

At its forty-fourth session, the Assembly decided on the financing of the United Nations Observer Group in Central America.121 At its forty-fifth session, it dealt with the United Nations Observer Mission in El Salvador, the United Nations Mission for the Referendum in Western Sahara and the United Nations Iraq-Kuwait Observation Mission.122 The forty-sixth session saw the first financing of two major operations: UNPROFOR and UNTAC.123 At its forty-seventh session, the Assembly adopted resolutions on the financing of two new operations, the United Nations Operation in Mozambique (UNOMOZ) and the United Nations Operation in Somalia, and on an operation dating from 1964, the United Nations Peacekeeping Force in Cyprus, the financing of which needed reconsideration.124 At its forty-eighth session, five new operations were considered by the Assembly: the United Nations Military Liaison Team in Cambodia;125 the United Nations Observer Mission in Georgia;126 the United Nations Observer Mission in Liberia;127 the United Nations Mission in Haiti;128 the United Nations Assistance Mission for Rwanda and the United Nations Observer Mission Uganda-Rwanda;129 and ONUMOZ.130 Also at its forty-eighth session, the Assembly decided to finance the expansion of the United Nations Observer Mission in South Africa from the regular budget.131 At its forty-ninth session, the General Assembly considered the financing of one new peacekeeping operation, the United Nations Mission of Observers in Tajikistan.132

67. In addition, at the forty-seventh and forty-ninth sessions of the General Assembly, the financing of two international tribunals newly created by the Security Council was decided. These were the International

118 See GA resolution 44/200. The previous year, the General Assembly, in its resolution 44/208, had posed questions about the format and organization of this conference.
120 There were, for example, pledging conferences for the United Nations Disarmament Information Programme; see, for instance, GA resolution 49/76 A.
121 GA resolution 44/44.
125 GA resolution 48/257 and decision 48/480; this mission was established by Security Council resolution 880 (1993), was separate from UNTAC, and lasted only a few months.
126 GA resolutions 48/256 A and B.
127 GA resolutions 48/247 A and B.
128 GA resolution 48/246 and decision 48/477.
129 GA resolution 48/248 and decision 48/479 (United Nations Assistance Mission for Rwanda) (UNAMIR)) and resolution 48/245 (United Nations Observer Mission Uganda-Rwanda); UNAMIR and United Nations Observer Mission in Liberia had the same special account.
130 GA resolutions 48/240 A and B.
131 See GA resolution 48/230 A.
132 GA resolution 49/240.
Tribunal for the Prosecution of Citizens Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991, and the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994. The Assembly ruled that the expenses of these two international tribunals would be met through additional resources on the basis of assessed contributions and that they will be financed through separate special accounts outside the regular budget.

68. Otherwise, all the peacekeeping operations mentioned above were, as in past years, financed through separate special accounts, and their expenses were met by contributions of Member States, assessed according to the scheme dividing them into four groups, also as in previous years. In addition, voluntary contributions, “in cash or in the form of services and supplies acceptable to the Secretary-General”, were sought for these operations, as they were for the international tribunals.

69. Two important innovations for the management of the financing of peacekeeping operations were made during this first part of the 1990s: the creation of a support account for peacekeeping operations and the establishment of a Peacekeeping Reserve Fund.

70. The support account for peacekeeping operations was designed to finance posts required by the Secretariat to provide support to these operations. The practice of “taxing” the budget of a peacekeeping operation for this purpose had started in 1956 with the first operation — the United Nations Emergency Force — involving the deployment of military contingents. Subsequently, a percentage of the budget of each peacekeeping operation, determined in relation to the estimated additional workload for the Secretariat, was allocated to continue to finance posts or to authorize new ones. The posts thus created were called “overload posts” and by the beginning of the 1990s there were 92 such posts, approximately half of them encumbered by staff members with permanent contracts and the other half by staff with fixed-term contracts.

71. By that time, the Organization was involved in a significantly larger number of operations — also very diversified in terms of their nature, components and length — and the Secretariat, in a dialogue with ACABQ, put together a new arrangement. A single support account would be established with a single mechanism for the distribution of costs among the various peacekeeping operations. The percentage taken would be 8.5 per cent of the cost of the civilian component in the mission area of each peacekeeping operation. Thus financed, the support account would provide the Organization with the necessary resources to allow it to respond effectively and in a timely and efficient way to initiatives that needed to be undertaken as and when the occasions arose in relation to good offices and peacekeeping activities. In addition, it would provide flexibility in the use of resources to respond to the administrative and political backstopping tasks of the various operations in accordance with their changing requirements.

72. With some reservations regarding the application of an “across the board” percentage and with the understanding that the support account and its use would be closely monitored and kept under review, ACABQ recommended approval by the General Assembly. This was granted in resolution 45/258 of 3 May 1991. Only three years later there were

133 GA resolution 47/235.
134 Ibid. 49/251.
135 Ibid., para. 3. This formula was decided for both Tribunals, after an initial hesitation for the International Tribunal for the Former Yugoslavia; see GA resolution 47/235, paras. 2, 3, 4 and 6; in para. 3 of that resolution the Assembly expressed concern that advice given to the Security Council by the Secretariat on the nature of the financing of the International Tribunal did not respect the role of the General Assembly as set out in Article 17 of the Charter.
136 See, for example, GA resolution 49/251, para. 12.
137 See A/45/493, para. 10.
138 See A/45/801, paras. 10 to 18. The information on posts is in para. 17.
139 An important additional factor was the reduction in the number of posts financed by the regular budget of the Organization and the subsequent difficulties faced by the Secretary-General when additional resources were required by new mandates and activities.
140 A/45/493, para. 11.
141 A/45/801, paras. 14 to 18.
142 See GA resolution 45/258, para. 9.
346 posts in the Secretariat financed from the support account for Peacekeeping operations.\textsuperscript{143}

73. When the General Assembly decided, in December 1992, to establish a Peacekeeping Reserve Fund, it expressed its appreciation for the report of the Secretary-General entitled “An agenda for peace” and for other reports, including the report of the Secretary-General on the work of the Organization. It noted that the Organization was confronted with increasing demands and challenges in the area of peacekeeping operations and recognized the unpredictable nature of such operations and the consequent necessity of giving the Secretary-General adequate resources to respond in a timely manner to a crisis. It recognized that it was essential to provide peacekeeping operations, especially in their start-up phases, with the necessary financial resources to enable the timely, full and effective implementation of their mandates.\textsuperscript{144}

74. With this rationale, the Peacekeeping Reserve Fund was set at $150 million. It was to be financed by Member States, with fixed shares calculated on the basis of the ad hoc apportionment established in December 1990 for peacekeeping operations. Positive balances of two peacekeeping operations, UNTAG and the United Nations Iran-Iraq Military Observer Group, were also to be used. The Fund was under the authority of the Secretary-General as a cash flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping operations. The Secretary-General was authorized to advance from the Fund such sums as might be necessary to finance: (a) unforeseen and extraordinary expenses relating to peacekeeping operations within the commitment established by the General Assembly; and (b) budgetary appropriations, including start-up costs, approved by the Assembly for new, expanded or renewed peacekeeping operations pending the collection of assessed contributions.\textsuperscript{145}

75. At its forty-ninth session, the Assembly decided to maintain the Peacekeeping Reserve Fund at the same level. It reiterated the provisions of its resolution 47/217 to the effect that the Fund should be used for the start-up phase of new operations, for the expansion of existing ones, or for unforeseen and extraordinary expenditures related to peacekeeping, and it strongly urged all Member States to make every possible effort to ensure full and timely payments of their assessed contributions for peacekeeping operations, so as to improve the cash-flow situation by enabling replenishment of the relevant reserves.\textsuperscript{146}

\section*{2. Preparation, presentation and approval of estimates}

76. The General Assembly decided, at its forty-ninth session, that the financial period for each peacekeeping operation would be from 1 July to 30 June. It also decided that for peacekeeping operations with budget requirements “not subject to fluctuation” there would be consideration and approval of a budget once a year. For other peacekeeping operations, budget estimates would be considered and approved twice a year, that is, for the periods 1 July to 31 December and from 1 January to 30 June.\textsuperscript{147}

\section*{3. Financial administration}

77. As noted above (see sect. E.3), the General Assembly, in December 1991, requested the Board of Auditors to ensure regular audit coverage of the various peacekeeping operations and special missions and to provide more detailed information for the larger peacekeeping operations.\textsuperscript{148}

78. At its forty-ninth session, the Assembly requested the Secretary-General to entrust the newly created Office of Internal Oversight Services with “an inspection of the units within the Secretariat responsible for the logistical, operational and administrative arrangements in peacekeeping and other field operations, with a view to identifying problems and recommending measures to enhance the efficient utilization of resources and to report to the General Assembly”.\textsuperscript{149}

\begin{footnotesize}
\begin{enumerate}
\item See GA decision 49/469.\textsuperscript{142}
\item GA resolution 47/217, first to fifth preambular paragraphs.\textsuperscript{144}
\item Ibid., subparas. (a), (b), (c), (d) and (f).\textsuperscript{145}
\item See GA resolution 49/233 B, sect. XI.\textsuperscript{146}
\item See GA resolution 49/233 B, sect. I, paras. 2, 3 and 4.\textsuperscript{147}
\item See GA resolutions 46/183 and 47/211.\textsuperscript{148}
\item See GA resolution 49/233 B, sect. IX.\textsuperscript{149}
\end{enumerate}
\end{footnotesize}