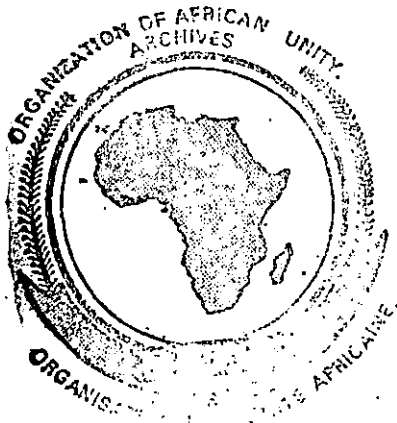


Council of Ministers
Sixth Ordinary Session
Addis Ababa, February 1966.

CM/109/Adden.1

REPORT OF THE ADMINISTRATIVE SECRETARY-GENERAL

ON THE STATUS OF THE BUDGET COVERING
THE PERIOD 1 MARCH 1965 - 31 MAY 1966



REPORT OF THE ADMINISTRATIVE SECRETARY-GENERAL

ON THE STATUS OF THE BUDGET COVERING

THE PERIOD 1 MARCH 1965 - 31 MAY 1966

1. In line with the current revised estimates of the 1965 - 1966 Budget and aware of the general consensus at the Second Ordinary Session of the Assembly of Heads of State and Government held in Accra last October with respect to the size of the current Budget, the Administrative Secretary-General exerted all efforts to save the maximum out of the First Regular Budget and consequently the saving which amounts to U.S. \$2,096,210.04 will be used to defray the share-contributions of Member States to the 1966 - 1967 Budget on prorata basis of their respective paid-up contribution to the General Fund. Since the Working Capital Fund was set-up as a revolving fund out of which unforeseen and extra-ordinary items of expenditure would be temporarily financed with the prior approval of the Council of Ministers, the amount of fund set aside for such purpose in the First Regular Budget will not be affected under the present exercise.
2. Since the Current Budget runs up to 31 May 1966, which is the end of the financial year, there are several outstanding commitments or encumbrances which may have to be met even later than 31st May 1966. The use of this practice is in conformity with the Financial Rules and Regulations of the Organization of African Unity, with particular reference to Article (2) of Section IV, which is quoted hereunder.
3. "Appropriations shall be available for obligations during the financial year to which they relate. They shall remain available for twelve months following the end of the financial year 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 year and to liquidate any other outstanding legal obligations of the year."

4. In line with this, the Administrative Secretary-General reviewed all the Commitments belonging to the First Regular Budget and all these obligations are described in this budgetary report in great detail under the title of "Encumbrances." Encumbrances comprise obligations in the form of purchase orders, contracts, conferences, or salary commitments which are chargeable to an appropriation and for which part of the appropriation is reserved. They cease to be encumbrances when paid or when the actual liability is set up.

5. The unexpended balance of appropriation or allotment is that portion of an appropriation or allotment which has not been expended; it is the balance remaining after deducting from the appropriation or allotment the accumulated expenditures. The "unencumbered" balance of appropriation or allotment is that portion of an appropriation or allotment not yet expended or encumbered; it is the balance remaining after deducting from the appropriation or allotment the accumulated expenditures and outstanding encumbrances.

6. Based on the above accounting terminology, the attached budgetary statements are intended to describe in depth all the appropriation, the accumulated expenditures, the unexpended balance, the encumbrances and the unencumbered balance of the Regular Budget covering the period from 1st March 1965 to 31st May 1966. In addition, a statement of contributions received and outstanding as of 15 January 1966 is also attached herewith. Wherever necessary, sufficient explanatory notes are given at the end of the respective Sections in addition to the various explanations outlined in this introductory part.

7. As can be observed from the relevant statements attached herewith, the Administrative Secretary-General has strictly implemented the recommendations of the Ad hoc Committee for Institutional Matters in order to achieve the maximum saving out of the Current Budget with a view of giving substantial financial relief to Member States in the next budget. The aggregate saving thus effected will be utilized to defray the share-contribution of each Member States to the next Budget in accordance with the Scale of Assessment and to the extent of the paid-up contribution.

8. As the Council is aware, two Extra-Ordinary Sessions of the Council of Ministers have been financed out of the First Regular Budget although no provision for extra-ordinary sessions was made at the time when the first Regular Budget was approved by the Fourth Ordinary Session of the Council. Similarly, although there was no financial provision to have Arabic as a working language at O.A.U. conferences, the Sixth Extra-Ordinary Session of the Council of Ministers unanimously approved a proposal to add Arabic to the list of existing working languages at all O.A.U. meetings. In conformity with the recommendations of the Council and the Institutional Committee, financial provisions have been made for Arabic technical Staff in the revised estimate of the Current Budget from 1st January to 31st May 1966, which is the end of the financial year.

9. To appreciate the size of the saving that has been achieved, this report on the Status of the 1965 - 1966 Budget should be examined in conjunction with the budget proposal for 1966 - 1967. A comparative study of the two budgetary reports will reveal that several items of expenditure for which provision has been made in this revised estimate of the current Budget under the title of "Encumbrances", have either been completely eliminated from the next budgetary proposal or else they have been reduced to the minimum. To a large extent the financial revisions made for the remaining period of the current Budget are on the downward trend.

10. Finally, it should be emphasized that the whole present exercise undertaken to effect the maximum saving out of the Current Budget is rather theoretical since contributions from some Member States have either not yet been received at all, or some partial payments have been made and consequently a large portion of the contributions to the Current Budget is still outstanding despite the fact that only four months are left before the end of the financial year. The status of the Current Budget can be clearly realized by careful study of the attached statement of contributions received and outstanding as of 15 January 1966 which is seven months later than the due date on which all outstanding contributions should have materialized.

ORGANIZATION OF AFRICAN UNITY
 Statements of Contributions Received and Outstanding
 to the Regular Budget of OAU as of January 15
 1966.

CM/109/Adden.1

(All figures in U.S.\$)

No.	Member Countries	OAU 1965 Scale of Assessments	Assessed Contribution		Received Amount			Outstanding Contribution
			General Fund	Working Capital Fund	General Fund	Working Capital Fund	Excess Payment	
1.	Algeria	4.70	207,833.20	23,500.00	207,833.20	23,500.00	35.40	-
2.	Burundi	1.89	83,575.48	9,450.00	-	-	-	93,025.48
3.	Cameroun	1.89	83,575.48	9,450.00	83,575.48	9,450.00	3,422.38	-
4.	Central African Republic	1.89	83,575.48	9,450.00	-	-	-	93,025.48
5.	Chad	1.89	83,575.48	9,450.00	48,969.38	-	-	44,056.10
6.	Congo (Brazzaville)	1.89	83,575.48	9,450.00	83,575.00	9,450.00	-	.48
7.	Congo (Leopoldville)	3.30	145,925.44	16,500.00	81,213.00	-	-	81,212.44
8.	Dahomey	1.89	83,575.48	9,450.00	61,982.03	-	-	31,043.45
9.	Ethiopia	2.35	103,916.60	11,750.00	103,916.60	11,750.00	-	-
10.	Gabon	1.89	83,575.48	9,450.00	40,790.96	-	-	52,234.52
11.	Gambia	1.89	83,575.48	9,450.00	-	-	-	93,025.48
12.	Ghana	4.24	187,492.08	21,200.00	187,492.08	21,200.00	.09	-
13.	Guinea	1.89	83,575.48	9,450.00	83,575.48	9,450.00	-	-
14.	Ivory Coast	1.89	83,575.48	9,450.00	83,567.90	9,450.00	-	7.58
15.	Kenya	1.89	83,575.48	9,450.00	83,575.48	9,450.00	66.49	-
16.	Liberia	1.89	83,575.48	9,450.00	83,575.48	9,450.00	.52	-
17.	Libya	1.89	83,575.48	9,450.00	83,574.00	9,450.00	-	1.48
18.	Madagascar	1.89	83,575.48	9,450.00	72,680.13	-	-	20,345.35
19.	Malawi	1.89	83,575.48	9,450.00	20,720.00	1,680.00	-	70,625.48

No.	Member Countries	OAU 1965 Scale of Assessments	Assessed Contribution		Received Amount			Outstanding Contribution
			General Fund	Working Capital Fund	General Fund	Working Capital Fund	Excess Payment	
20.	Mali	1.89	83,575.48	9,450.00	83,565.09	9,450.00	-	10.39
21.	Mauritania	1.89	83,575.48	9,450.00	30,193.68	-	-	62,831.80
22.	Morocco	6.60	291,850.84	33,000.00	291,850.84	33,000.00	-	-
23.	Niger	1.89	83,575.48	9,450.00	83,575.48	9,450.00	1,898.39	-
24.	Nigeria	9.90	437,776.32	49,500.00	437,776.32	49,500.00	.12	-
25.	Rwanda	1.89	83,575.48	9,450.00	-	-	-	93,025.48
26.	Senegal	2.35	103,916.60	11,750.00	4,416.25	-	-	111,250.25
27.	Sierra Leone	1.89	83,575.48	9,450.00	13,950.00	-	-	79,075.48
28.	Somalia	1.89	83,575.48	9,450.00	28,000.00	3,000.00	-	62,025.48
29.	Sudan	3.30	145,925.44	16,500.00	122,741.81	-	-	39,683.63
30.	Tanzania	1.89	83,575.48	9,450.00	83,575.48	9,450.00	-	-
31.	Togo	1.89	83,575.48	9,450.00	48,964.80	-	-	44,060.68
32.	Tunisia	2.35	103,916.60	11,750.00	60,000.00	-	-	35,666.60
33.	Uganda	1.89	83,575.48	9,450.00	42,000.00	-	-	52,025.48
34.	United Arab Republic	11.77	520,467.40	58,850.00	250,000.00	-	-	329,317.40
35.	Upper Volta	1.89	83,575.48	9,450.00	9,443.84	-	-	83,581.64
36.	Zambia	1.89	83,575.48	9,450.00	83,575.48	9,450.00	15,695.93	-
TOTAL		100.%	4,421,983.00	500,000.00	3,084,245.37	247,580.00	21,119.32	1,590,157.63

TABLE SHOWING STATUS OF
THE 1965 - 1966 BUDGET

P A R T I C U L A R S	Amount in U.S. Dollars
1. TOTAL APPROPRIATION	4,421.983.00
2. <u>Deduct:</u> ACCUMULATED EXPENDITURE AS OF 31 DECEMBER 1965	914,362.27
3.* UNEXPENDED BALANCE AS OF 31/12/65	3,507.620.73
4. <u>Deduct:</u> TOTAL ENCUMBRANCES FOR 1 JANUARY - 31 MAY 1966	1,411.410.69
5. UNENCUMBERED BALANCE	2,096.210.04

* N.B. The "unexpended" balance as of 31/12/65 is theoretical as it includes all outstanding contributions from Member States indicated in the attached Statement of Contributions Received and Outstanding.

ORGANIZATION OF AFRICAN UNITY

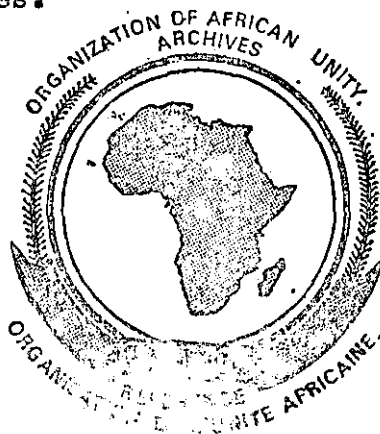
STATEMENT OF EXPENDITUREFOR THE PERIOD 1ST MARCH 1965 - 31 DECEMBER 1966

P A R T I C U L A R S	TOTAL AMOUNT IN U.S. DOLLARS
1. Salaries and Wages	263,674.36
2. Accommodation & Other Allowances	17,446.75
3. Professional & Special Services	218,303.10
4. Travelling & Subsistence	97,646.17
5. Uniforms and Clothing	74.00
6. Motor Vehicles	7,254.64
7. Maintenance & Running Cost of Motor Vehicles	5,689.16
8. Furniture & Other Office equipment	18,142.12
9. Stationery, Printed forms & Other Office Supplies	23,372.72
10. Other Supplies & Equipment	5,139.97
11. Repairs & Upkeep of equipment	1,735.12
12. Rental for premises & equipment	28,988.00
13. Repairs & Upkeep of premises	10,567.30
14. Light, Power, Fuel & Water	2,787.82
15. Postage, telephone & telegram charges	74,422.66
16. Transport & Portage of Goods	3,709.19
17. Bank Commission & Remittance Charges	3,112.06
18. Books, & Periodicals, etc.	1,047.15
19. Sundry Supplies & equipment	1,170.28
20. Insurances	647.60
21. Miscellaneous expenses	2,819.30
22. Secretariat of the African Group at U.N.	55,000.00
23. S.T.R.C.	71,612.80
TOTAL EXPENDITURE	914,362.27

SUMMARY OF ENCUMBRANCES
FOR THE 1965 - 1966 BUDGET

<u>SECTION</u>	<u>TITLE</u>	<u>AMOUNT IN US\$</u>
I	COUNCIL OF MINISTERS	44,388.00
II	ECONOMIC AND SOCIAL COMMISSION	43,830.00
III	EDUCATION AND CULTURAL COMMISSION	41,905.00
IV	DEFENSE COMMISSION	18,720.00
V	SCIENTIFIC, TECHNICAL AND RESEARCH COMMISSION	201,600.00
VI	COMMISSION OF MEDIATION, CONCILIATION AND ARBITRATION	79,906.00
VII	TRANSPORT & COMMUNICATIONS COMMISSION	32,155.00
VIII	COMMISSION OF REFUGEES	15,240.00
IX	ADMINISTRATIVE SECRETARIAT	933,666.69
T O T A L ENCUMBRANCES		1,411,410.69

N.B. Explanatory Notes on these Encumbrances are given in the proceeding pages.



SECTION I:

COUNCIL OF MINISTERS

EXPLANATORY NOTE

1. As approved by Article XII (2) of the Charter, the Council of Ministers shall meet at least twice a year, and in accordance with Rule (6) of the Procedure of the Council of Ministers, the Council shall meet in Ordinary Session in February each year to consider and approve, inter alia, the Programme and Budget of the Organization for the next fiscal year. Hence, provision for one Ordinary Session of the Council of Ministers has accordingly been made in Section I of these estimates.
2. The figures provided under Section I are, therefore, meant to cover one Ordinary Session of the Council to be held in February 1966 at the site of the Headquarters.
3. The size of the technical staff has increased more than that allotted for it in the Budget as a result of the decision taken by the Sixth Extra-Ordinary Session of the Council to add Arabic to the list of working languages at all O.A.U. Conferences.

SECTION II.

ECONOMIC AND SOCIAL COMMISSION

EXPLANATORY NOTE

1. Provision amounting to U.S.\$15,750.00 has been made under this Section for the implementation of Economic and Social Commissions Resolution [ECOS/Res.7 (II)]:-
Facilities for all African Trade Union Organizations to meet under the auspices of the Organization of African Unity.

SECTION III.

EDUCATION AND CULTURAL COMMISSION

EXPLANATORY NOTE

1. The Third Session of the Education & Cultural Commission is scheduled to meet in Cairo sometime after the budget session of the Council of Ministers next February. As a result of the recommendation made by the Ad hoc Committee for Institutional Matters to integrate the Education & Cultural Commission with the Scientific Technical and Research Commission with Headquarters in Lagos, the necessary monetary provisions for convening this meeting in Cairo are made accordingly.
2. The Institutional Committee renewed the duration of the meeting to last ten days instead of seven as originally envisaged in the current Budget. Consequently, some items of expenditure in connection with this meeting have been revised to cover ten days instead of seven in accordance with the above recommendation.

SECTION V

THE SCIENTIFIC, TECHNICAL AND RESEARCH COMMISSION

EXPLANATORY NOTE

1. At the time when the current budget was drawn up last year, the O.A.U. General Secretariat did not have ample time at its disposal to scrutinize the budgetary proposals of the Scientific, Technical and Research Commission. Eventually, it was decided to set the sum of the last administrative meeting of the C.C.T.A. (predecessor of the S.T.R.C.) which amounted to U.S.\$1,159,086.00. In the meantime, the General Secretariat sent its own Official Representative to the centre of the C.C.T.A. and examined all its activities and financial requirements in great detail. As a result of the study undertaken and with the consent of the Executive Secretary of the S.T.R.C., it has now been revealed that the S.T.R.C. could function with about U.S.\$500,000.00 annually.
2. In accordance with the above study, the modest sum of U.S.\$201,600 has thus been provided under this section to meet the financial needs of the S.T.R.C. from 1 January 1966 to 31 May 1966, the end of the financial year.

SECTION VI.

COMMISSION OF MEDIATION, CONCILIATION AND ARBITRATION

EXPLANATORY NOTE

1. As provided in the Protocol establishing the Commission of Mediation, Conciliation and Arbitration, the Commission when established, will make its own recommendations to the Assembly of Heads of State and Government, about the salaries of the Presidents and Vice-Presidents. The provision here is in respect of the office staff for the Bureau of the Commission.
2. For the period covered by this budget, (i.e. until 31st May 1966) the headquarters Secretariat will be able to supply secretarial and junior staff for the Bureau when it is established.
3. The salaries indicated above are for the period of six months. The Commission cannot submit its budget before the next meeting of the Assembly of Head of State and Government in November 1966. The Bureau of the Commission will, therefore, function this Budget with the financial provision laid down in the Current Budget by the Fourth Ordinary Session of the Council of Ministers.
4. In accordance with Article X of the Protocol establishing this Commission, only the administrative expense of the Commission have been taken into consideration in preparing this budget.

SECTION IX

ADMINISTRATIVE SECRETARIAT

EXPLANATORY TABLE FOR THE

ESTIMATES OF THE ADMINISTRATIVE SECRETARIAT

For the Period 1 January - 31 May 1966

	AMOUNT IN US DOLLARS
SECTION IX-A Office of the Administrative Secretary General	32,494.95
SECTION IX-B Office of the Asst. Secretaries-General	54,056.60
SECTION IX-C Divisions and Services attached to the Office of the Administrative Secretary- General.	81,266.62
SECTION IX-D Administration Department	58,583.28
SECTION IX-E Political Department	24,055.76
SECTION IX-F Economic and Social Department	19,814.12
SECTION IX-G Cultural and Scientific Department	17,318.29
SECTION IX-H Other Services	127,083.33
SECTION IX-J Special Expenditure	470,000.00
SECTION IX-K Office of the African Group at the United Nations.	48,993.74
TOTAL ESTIMATE FOR SECTION IX, THE ADMINISTRATIVE SECRETARIAT	933,666.69

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Report of the Administrative Secretary General on the status of the budget covering the period 1 March 1965-31 May 1966

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