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FINANCIAL EMERGENCY OF THE UNITED NATIONS

Report of the Fifth Committee

Rapporteur: Mr. Falk MELTKE (German Democratic Republic)

I. INTRODUCTION

1. At its 3rd plenary meeting, on 20 September 1985, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fortieth session, and to allocate to the Fifth Committee, the item entitled:

"Financial emergency of the United Nations:

"(a) Report of the Negotiating Committee on the Financial Emergency of the United Nations;

"(b) Reports of the Secretary-General".

2. The Fifth Committee had before it a report of the Secretary-General (A/C.5/40/16) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/40/831).

3. The Committee considered this item at its 37th, 45th to 47th, 50th and 67th meetings, on 15, 22, 25, 26 and 29 November and 16 December 1985. Comments and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records of the Fifth Committee (A/C.5/40/SR.37, 45-47, 50 and 67).

II. CONSIDERATION OF DRAFT RESOLUTIONS A/C.5/40/L.13 AND L.14

4. At the 67th meeting, on 16 December, the representative of Sweden introduced draft resolutions entitled "Financial emergency of the United Nations"

(A/C.5/40/L.13, draft resolutions A and B), sponsored by Bangladesh, Canada, Denmark, Finland, Ireland, Nigeria, Norway, Pakistan, Sweden and Trinidad and Tobago, subsequently joined by Iceland.

5. At the same meeting, the representative of Iceland proposed an oral revision to draft resolution B, to add at the end of operative paragraph 2:

"taking into account the views expressed by Member States during the fortieth session of the General Assembly".

The proposed revision was accepted by the sponsors.

6. At the same meeting, the Committee adopted draft resolution A without a vote (see para. 11, draft resolution I A). The Committee adopted draft resolution B, as orally revised, by a recorded vote of 105 to 11, with 3 abstentions (see para. 11, draft resolution I B).

7. The voting was as follows:

In favour: Algeria, Antigua and Barbuda, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Benin, Bolivia, Botswana, Brazil, Brunei Darussalam, , Burkina Faso, Burma, Cameroon, Canada, Cape Verde, Chad, Chile, China, Colombia, Congo, Cyprus, Democratic Kampuchea, Democratic Yemen, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Ethiopia, Fiji, Finland, France, Gabon, Germany, Federal Republic of, Ghana, Greece, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Honduras, Iceland, Indonesia, Iran (Islamic Republic of), Ireland, Israel, Italy, Ivory Coast, (Côte d'Ivoire), Jamaica, Jordan, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Luxembourg, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mexico, Morocco, Mozambique, Nepal, Netherlands, New Zealand, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Peru, Philippines, Portugal, Qatar, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Somalia, Spain, Sri Lanka, Swaziland, Sweden, Thailand, Togo, Trinidad and Tobago, Tunisia, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Venezuela, Yemen, Zaire, Zambia.

Against: Byelorussian Soviet Socialist Republic, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United States of America, Viet Nam.

Abstaining: Japan, Romania, Turkey.

8. Subsequently, the representatives of Argentina and Kuwait stated that, had their delegations been present during the vote, they would have voted in favour. The representative of Bulgaria stated that, had his delegation been present during the vote, it would have voted against.

9. At the same meeting, the representative of Pakistan introduced a draft resolution entitled "Issue of special postage stamps" (A/C.5/40/L.14), sponsored by Algeria, Bangladesh, Chile, Costa Rica, Ghana, Guinea-Bissau, Honduras, India, Indonesia, Jamaica, Lebanon, the Libyan Arab Jamahiriya, Malaysia, Morocco, Nigeria, Oman, Pakistan, Peru, Sweden, Thailand, Trinidad and Tobago, Tunisia and Turkey, subsequently joined by Barbados, Burkina Faso, Cape Verde, Mali, Panama, the Philippines, Senegal, Sierra Leone and Yugoslavia.

10. At the same meeting, the Committee adopted draft resolution A/C.5/40/L.14 without a vote (see para. 11, draft resolution II).

III. RECOMMENDATIONS OF THE FIFTH COMMITTEE

11. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

Financial emergency of the United Nations

A

The General Assembly,

Having considered the report of the Secretary-General on the analysis of the financial situation of the United Nations 1/ and the related report of the Advisory Committee on Administrative and Budgetary Questions, 2/

Recalling its resolutions 3049 A (XXVII) of 19 December 1972, 3538 (XXX) of 17 December 1975, 32/104 of 14 December 1977, 35/113 of 10 December 1980, 36/116 B of 10 December 1981, 37/13 of 16 November 1982, 38/228 B of 20 December 1983 and 39/239 of 18 December 1984,

Mindful of the report of the Negotiating Committee on the Financial Emergency of the United Nations 3/ and of the views expressed by Member States thereon in the Fifth Committee at the thirty-second session of the General Assembly,

Reiterating earlier appeals to Member States, without prejudice to their position of principle, to make voluntary contributions to the Special Account

1/ A/C.5/40/16.

2/ A/40/831.

3/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 37 (A/31/37).

referred to in annex V of the report of the Secretary-General on the analysis of the financial situation of the United Nations, 1/

Noting with concern that the short-term deficit of the Organization is expected to exceed \$390 million as at 31 December 1985,

Concerned at the increasingly precarious financial situation of peace-keeping operations and, in particular, its adverse impact on developing country troop contributors,

Noting also with concern that delays and partial payment of assessed contributions continue to create serious cash-flow problems for the Organization,

Considering the possibility that for many Member States administrative considerations, including a calendar difference between the national fiscal year and that of the Organization, may be responsible for the delay in the payment of assessed contributions,

Taking note of the views expressed in the Fifth Committee,

1. Reaffirms its commitment to seek a comprehensive and generally acceptable solution to the financial problems of the United Nations, based on the principle of collective financial responsibility of Member States and in strict compliance with the Charter of the United Nations;
2. Urges all Member States to meet their financial obligations;
3. Renews its appeal to all Member States to make their best efforts to overcome constraints to the prompt payment early each year of full assessed contributions and of advances to the Working Capital Fund;
4. Expresses its appreciation to all Member States which pay their assessed contributions in full within thirty days of the receipt of the Secretary-General's communication, in accordance with regulation 5.4 of the Financial Regulations of the United Nations;
5. Requests the Secretary-General, in addition to his official communications to the permanent representatives of Member States, to approach, as and when appropriate, the Governments of Member States for the purpose of encouraging expeditious payment in full of assessed contributions, in compliance with regulation 5.4 of the Financial Regulations of the United Nations;
6. Invites Member States also to provide, in response to the Secretary-General's official communication and consistent with regulation 5.4 of the Financial Regulations of the United Nations, information regarding their expected pattern of payments, in order to facilitate the financial planning by the Secretary-General;

7. Requests the Negotiating Committee on the Financial Emergency of the United Nations to keep the financial situation of the Organization under review and to report, as and when appropriate, to the General Assembly;

8. Requests the Secretary-General to submit to the General Assembly at its forty-first session detailed information relating to the extent, rate of increase and composition of the deficit of the Organization, the pattern of payments of Member States, the cash-flow situation and voluntary contributions received from Member States and other sources pursuant to Assembly resolutions 2053 A (XX) of 15 December 1965 and 3049 A (XXVII) of 19 December 1972;

9. Decides to include in the provisional agenda of its forty-first session the item entitled "Financial emergency of the United Nations".

B

The General Assembly,

Having considered the various options to alleviate the financial difficulties of the United Nations, summarized in section IV of the report of the Secretary-General, 1/ as well as the related report of the Advisory Committee on Administrative and Budgetary Questions, 2/

1. Decides to accept the recommendation of the Advisory Committee on Administrative and Budgetary Questions in paragraph 14 of its report that the provisions of regulations 4.3, 4.4 and 5.2 (d) of the Financial Regulations of the United Nations be suspended in respect of regular budget surpluses arising at the end of the biennium 1984-1985;

2. Recommends that the Secretary-General continue to study various options to alleviate the financial difficulties of the Organization, taking into account the views expressed by Member States at the fortieth session of the General Assembly.

DRAFT RESOLUTION II

Issue of special postage stamps

The General Assembly,

Having considered the report of the Secretary-General on the analysis of the financial situation of the United Nations 4/ and the related report of the Advisory Committee on Administrative and Budgetary Questions, 5/

4/ A/C.5/40/16.

5/ A/40/831.

Recalling its resolution 39/239 A of 18 December 1984,

Recognizing that, pending a comprehensive settlement of the differences which have given rise to the financial emergency of the Organization, partial or interim steps could enhance the liquidity of the Organization and alleviate its financial difficulties to some extent,

Noting with satisfaction that the project of the issue of special postage stamps on the critical social and economic crisis in Africa is well under way,

1. Decides, in accordance with its resolution 39/239 A, to place at the disposal of the Secretary-General one half of the revenue earned for the implementation of objectives as detailed in the Declaration on the Critical Economic Situation in Africa 6/ adopted by the General Assembly on 3 December 1984, the remaining half to be placed in a special account;

2. Requests the Secretary-General to undertake all necessary steps to economize on the operational expenses of the project on the issue of special postage stamps with a view to increasing the net revenue and to submit a financial report to the General Assembly at its forty-first session;

3. Also requests the Secretary-General to explore the possibility of having recourse to other feasible revenue-producing activities that could be undertaken by the United Nations.

6/ Resolution 39/29, annex.