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COMMITTEE ON CONTRIBUTIONS
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COLLECTION OF CONTRIBUTIONS

Arrangements for payment of contributions in
currencies other than United States dollars

Report of the Secretary-General

1. The General Assembly at its sixteenth session adopted resolution 1691 A (XVI) which in paragraph 3 provided as follows:

"Notwithstanding the terms of regulation 5.5 of the Financial Regulations of the United Nations, the Secretary-General shall be empowered to accept, at his discretion and after consultation with the Chairman of the Committee on Contributions, a portion of the contributions of Member States for the financial years 1962, 1963 and 1964 in currencies other than United States dollars."

2. The Committee on Contributions, at its session in 1962 and 1963, was informed of the arrangements made under the above resolution for the acceptance of part of the 1962 and 1963 contributions. In respect of the arrangements for 1964, the Secretary-General by letter of 26 February 1964 advised Member States of the non-United States currencies^{1/} in which it was estimated that appreciable amounts of expenditures were expected to be incurred during 1964 and outlined the terms and conditions on which payment of part of Member States' 1964 contributions could be accepted in such currencies. For the text of the Secretary-General's communication, see annex 1.

^{1/} These currencies are: Belgian francs, Chilean escudos, Ethiopian dollars, French francs, Mexican pesos, Netherlands guilders, pounds sterling, Swiss francs and Thailand baht.

3. The amounts allocated to Member States for payment in non-United States currencies in response to the requests received are set out in annex II.

Possible ways of expanding the existing arrangements

4. At its sixteenth session, the General Assembly recommended (resolution 1691 B (XVI) of 18 December 1961) that the Committee on Contributions

"(a) study all the possible ways and means of expanding the existing arrangements for facilitating the payment of contributions by Member States to the regular budget of the United Nations in currencies other than United States dollars," and

"(b) submit a detailed report and recommendations on this matter to the General Assembly at its seventeenth session."

5. In its report to the General Assembly (A/5210) on this subject, the Committee on Contributions made no specific recommendations but, in paragraphs 39 and 42, made certain suggestions for examination of the possibilities of wider usages of non-convertible currencies under the United Nations regular budget and in the technical assistance field.

6. The General Assembly's response to the Committee on Contributions' report will be seen from paragraph 16 of the report of the Fifth Committee at the seventeenth session (A/5392/Rev.1) which reads as follows:

"The Committee took note of Chapter VII of the Committee on Contributions' report (A/5210) on its study of the arrangements for facilitating the payment of Member States' contributions in currencies other than United States dollars. It welcomed any further arrangements that would broaden the present range and amounts of acceptable currencies and thereby facilitate the payment of Member States' contributions. It was emphasized, however, that in any such arrangements, it would be necessary to safeguard the United Nations against exchange losses, and that the acceptance of inconvertible currencies for which the Organizations could find no use and arrangements that would prove uneconomical must at all times be avoided."

7. In determining each year the currencies other than United States dollars and amounts thereof that can be accepted in payment of contributions, an estimate is made of anticipated expenditures in such currencies in the light of the General Assembly's budgetary decisions. Aside from the currency usage which derives from the location of offices and staff, the major items of expenditures in non-United States currencies involve in the main transportation, printing and purchase of equipment and supplies.

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8. In the Secretary-General's judgement, the estimated requirements of non-United States currencies for the financing of authorized United Nations expenditures must basically determine the extent to which payment of Member States' contributions can be accepted in such currencies. Given the Organization's present and prospective cash position, moreover, it is clearly not possible to risk the accumulation of non-convertible balances that cannot be readily used for approved United Nations purposes. Furthermore, although substantial budgetary provision is normally made for the purchase of equipment supplies and services which might appear to offer a choice of currency utilization, the rule that such purchases must be made on the basis of international bidding and at the lowest possible price places an obvious limitation on such a choice.

9. The Secretary-General continues to keep under constant review and study the possibility of expanding the existing arrangements for payment of Member States' contributions in non-United States currencies and would welcome any specific proposals which would permit an extension of these arrangements. In exercising the discretion afforded him, however, he is bound to have regard to the considerations referred to above, and, indeed, would consider it timely for the General Assembly to give him more specific guidelines as to the circumstances under which such discretion should in future be exercised.

ANNEXES

Annex I

Secretary-General's communication to all Member States

FI 314(1)

The Secretary-General of the United Nations presents his compliments to the Minister for Foreign Affairs of and has the honour to refer to his communication No. FI 311(1) of 15 January 1964 in which it was indicated that arrangements were being made for payment of part of Member States contributions in currencies other than United States dollars under General Assembly resolution 1691 A (XVI), paragraph 3 of which provides that:

"Notwithstanding the terms of regulations 5.5 of the Financial Regulations of the United Nations, the Secretary-General shall be empowered to accept, at his discretion and after consultation with the Chairman of the Committee on Contributions, a portion of the contributions of Member States for the financial years 1962, 1963 and 1964 in currencies other than United States dollars."

It can now be stated that currencies other than United States dollars in which substantial amounts of expenditures will be incurred by the United Nations in 1964 are the following:

Belgian francs	Netherlands guilders
Chilean escudos	Pounds sterling
Ethiopian dollars	Swiss francs
French francs	Thailand baht
Mexican pesos	

It will, therefore, be possible to accept payment of part of the contributions of Member States for 1964 in these currencies. If Member States should wish to effect payment in respect of their 1964 contributions in one or more of these currencies, it would be appreciated if notification to that effect could be received as soon as possible and in any event not later than 20 March 1964. At the same time, indication should be given of the maximum amount that the Government would wish to remit in each of the currencies selected for payment, and the approximate date by which such remittance or remittances could be expected.

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Member States which have replied affirmatively prior to 20 March 1964 will be advised as soon as possible thereafter of the specific sums that may be remitted in the currencies indicated by them and the bank accounts to which deposit should be made. It will, of course, be appreciated that the extent to which the wishes expressed by Member States can in fact be accommodated will be dependent on estimated United Nations expenditures in non-United States currencies and that these, in turn, will be directly affected by the promptness with which such currencies are made available.

As in prior years, payment of contributions in non-United States currencies will be subject to the conditions set out in the following paragraphs.

It is a general condition of acceptance that all currencies remitted for effecting payment of contributions should represent transferable funds which can be used, without further negotiation within the exchange regulations of the countries concerned, for all expenditures incurred by the United Nations within the country in whose currency payment is made.

Payments of contributions in currencies other than United States dollars should be made at the most favourable rate effective on the date of payment for conversion of dollars into the respective currencies, which may be defined as the rate which would be available to United Nations for conversion of dollars on the date of payment.

If at any time during the current year following the date of payment of contributions in non-United States currencies there should occur a reduction in the exchange value of an allocated currency in terms of United States dollars, Member States may be required, upon notification, to make an adjusted payment to cover the exchange variations as from the effective date of the change in rate.

26 February 1964

Annex II

Amounts allocated to Member States for payment
in non-United States currencies in respect of
the 1964 contributions

<u>Member States</u>	<u>United Nations Regular Budget</u>	<u>United Nations Emergency Force Special Account</u>	<u>Congo ad hoc Account</u>	<u>Total</u>
	<u>Equivalent of US dollars</u>	<u>Equivalent of US dollars</u>	<u>Equivalent of US dollars</u>	<u>Equivalent of US dollars</u>
<u>Pounds sterling</u>				
Burma	57,632.00	6,066.00	5,860.00	69,558.00
India	1,609,340.00	-	-	1,609,340.00
New Zealand	327,140.00	72,536.00	61,298.00	460,974.00
Poland	210,000.00	-	-	210,000.00
Sierra Leone	32,934.00	3,466.00	3,349.00	39,749.00
United Kingdom	4,431,049.00	1,006,097.00	566,175.00	6,053,321.00
	<u>6,718,095.00</u>	<u>1,088,165.00</u>	<u>636,682.00</u>	<u>8,442,942.00</u>
<u>French francs</u>				
Algeria	170,013.00	14,323.00	26,179.00	210,515.00
Dahomey	32,934.00	3,466.00	7,837.00	44,237.00
Senegal	34,687.00	-	-	34,687.00
	<u>237,634.00</u>	<u>17,789.00</u>	<u>34,016.00</u>	<u>289,439.00</u>
<u>Belgian francs</u>				
Luxembourg	34,756.00	8,846.00	7,475.00	51,077.00
<u>Algerian dinars</u>				
Algeria	15,000.00	-	-	15,000.00
<u>Tunisian dinars</u>				
Tunisia	15,000.00	-	-	15,000.00
<u>Egyptian pounds</u>				
United Arab Republic	-	-	271,883.00	271,883.00
