



UNITED NATIONS GENERAL ASSEMBLY



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COMMITTEE ON CONTRIBUTIONS
Thirty-second session
Geneva

COLLECTION OF CONTRIBUTIONS

ARTICLE 19 OF THE CHARTER

Report of the Secretary-General

1. Under its terms of reference, one of the functions of the Committee on Contributions is "to consider and report on the action to be taken if Members fall into default with their contributions", and in this connexion "the Committee should advise the Assembly with regard to the application of Article 19 of the Charter," which provides as follows:

"A Member of the United Nations which is in arrears in the payment of its financial contribution to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years. The General Assembly may, nevertheless, permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member."

2. At the present time, Bolivia, Burundi, the Dominican Republic, Ecuador, Guinea, Haiti, Paraguay, Peru and Uruguay are in arrears in the payment of their contributions to the United Nations regular budget within the terms of Article 19 of the Charter. In addition, the circumstances with respect to China are explained in paragraphs 5, 6 and 7 of this report.

3. The following table shows for each of these Members, except China, the total of their arrears of contribution to the United Nations regular budget, the gross amount of their contributions to that account for the preceding two full years (1970 and 1971) and the amount by which the arrears exceed the contributions due for the two years.

UNITED NATIONS REGULAR BUDGET

	<u>Arrears of contribution</u>	<u>Gross contributions for 1970 and 1971</u>	<u>Excess amount</u>
1. Bolivia	182,989.00	135,319.00	47,670.00
2. Burundi	172,300.00	135,319.00	36,981.00
3. Dominican Republic	183,855.00	135,319.00	48,536.00
4. Ecuador	155,415.60	135,319.00	20,096.60
5. Guinea	147,432.14	135,319.00	12,104.14
6. Haiti	182,933.00	135,319.00	47,614.00
7. Paraguay	168,934.50	135,319.00	33,615.50
8. Peru	444,648.82	338,296.00	106,352.82
9. Uruguay	325,075.00	268,724.00	56,351.00

4. On 13 April 1972, the Secretary-General informed each of these Members of the status of their contributions and of the minimum payment required to reduce their arrears to the United Nations regular budget below the limit specified in Article 19 of the Charter. The text of the communication is annexed to the present report.

5. With respect to China, the Committee is familiar with the circumstances concerning its representation in the United Nations. On 25 October 1971, the General Assembly decided (resolution 2758 (XXVI)) "to restore all its rights to the People's Republic of China and to recognize the representatives of its Government as the only legitimate representatives of China to the United Nations". The United Nations records on that date showed the following assessed contributions due from China:

	<u>\$US</u>
United Nations regular budget (and Working Capital Fund)	18,207,518
United Nations Emergency Force Special Account	5,274,570
Congo <u>Ad Hoc</u> Account	6,687,207

The amount of contributions shown as due from China in respect of the United Nations regular budget and Working Capital Fund as listed above exceeded the amount of the assessed contributions for the years 1970 and 1971 by \$4,675,643.00. On this basis, on 1 January 1972, the unpaid assessed contributions exceeded the limit prescribed by Article 19 of the Charter.

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6. For 1972 China's assessed share of the United Nations regular budget calculated at the rate of 4 per cent is \$7,078,828. On 20 February 1972, the People's Republic of China made a payment of \$3 million, which it stated was intended as partial payment of its 1972 contribution. At the same time, the Government of the People's Republic of China informed the Secretary-General that it "will pay in due time China's membership due for the years 1971, which should cover the period from 25 October 1971, the day of the restoration of all the legitimate rights of the People's Republic of China in the United Nations". Discussions are in progress with the People's Republic of China, and the amount of \$3 million received will be recorded in accordance with the Financial Regulations of the United Nations 1/ at the appropriate time.

7. Given the circumstances of the representation of China in the United Nations today, it is not clear what decisions the General Assembly may wish to take on the status of the amount of unpaid assessed contributions for China. It is clear, however, that under the Financial Regulations the Secretary-General may not change or reduce the amounts now on the United Nations books of account and must credit contributions in accordance with those regulations. The Committee on Contributions might wish, within its terms of reference, to express an opinion on this matter or on the action to be taken by the General Assembly.

8. It has been the practice of the Committee on Contributions to include in its report to the General Assembly a paragraph listing the Member States which, at the conclusion of the Committee's annual session, were in arrears in the payment of their contributions to the United Nations regular budget within the terms of Article 19 of the Charter. It has also authorized the Chairman to issue at a later date, if necessary, an addendum to its report on this question. The Committee may wish to follow the same procedure in reporting on this subject to the General Assembly at its twenty-seventh session.

1/ Regulation 5.6 of the Financial Regulations of the United Nations stipulates that "Payments made by a Member State shall be credited first to the Working Capital Fund and then to the contribution due in the order in which the Member was assessed".

Annex

LETTERS DATED 13 APRIL 1972 ADDRESSED TO THE PERMANENT REPRESENTATIVES
OF BOLIVIA, BURUNDI, DOMINICAN REPUBLIC, ECUADOR, GUINEA, HAITI,
PARAGUAY, PERU, URUGUAY

I have the honour to refer to the Secretary-General's communications No. FI 311(1) of 6 January and 5 April 1972 concerning the payment of your Government's contribution for 1972, as well as the contributions due for prior years in respect of the United Nations regular budget.

In view of the provisions of Article 19 of the Charter and the Financial Regulations of the United Nations, I would ask you to bring to the attention of your Government the importance of arranging for the settlement of its arrears at the earliest possible date.

A detailed statement of the arrears of contributions due from your Government is attached. As you know, under the Financial Regulations the entire amount of arrears is immediately due and payable, but under the limit prescribed in Article 19 of the Charter a minimum payment of \$ would be necessary in order to reduce your Government's arrears to the United Nations regular budget below the gross contribution due from it to that account for the preceding two full years (1970 and 1971).

In this connexion, you may also wish to bring to the attention of your Government that the Committee on Contributions, which is scheduled to open its next session on 23 May 1972, would normally, in compliance with its statutory function, make reference in its report to the General Assembly concerning the application of Article 19 of the Charter.

W. H. ZIEHL
Acting Controller
