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COMMITTEE ON CONTRIBUTIONS  
Thirty-eighth session  
New York

COLLECTION OF CONTRIBUTIONS

Report of the Secretary-General

1. The terms of reference of the Committee on Contributions call for the Committee to advise the General Assembly in regard to the application of Article 19 of the Charter. That Article provides as follows:

"A Member of the United Nations which is in arrears in the payment of its financial contributions 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. As of the opening of the eighth special session of the General Assembly on 20 April 1978, six Member States, the Central African Empire, Democratic Kampuchea, the Dominican Republic, Haiti, Paraguay and South Africa, were in arrears in the payment of their assessed contributions within the terms of Article 19. Accordingly, the Secretary-General addressed a letter to the President of the General Assembly to the foregoing effect. That letter was reproduced as document A/S-8/6.

3. Following the opening of the ninth special session of the General Assembly on 24 April, Haiti made the necessary payment to reduce its arrears below the amount specified in Article 19. The Secretary-General's further letter of 24 April 1978 to the President

of the General Assembly concerning the latter payment was reproduced as document A/S-9/9.

4. Thus, at the time of the preparation of this report, and as shown in annex I, five Member States remain in arrears in the payment of their assessed contributions within the terms of Article 19.

5. It has been the practice of the Committee in the past to include a paragraph in its report to the General Assembly to the effect (a) that it had taken note of the report of the Secretary-General; (b) that at the conclusion of its session certain specified Member States were in arrears in the payment of their assessed contributions within the terms of Article 19 of the Charter; and (c) that it had authorized its Chairman to issue an addendum to the Committee's report at a later date if necessary. The Committee may wish to follow the same procedure in the present instance.

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

6. On the recommendation of the Committee on Contributions, the General Assembly, by its resolution 32/39, paragraph (c), of 2 December 1977, authorized the Secretary-General 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 calendar year 1978, in currencies other than United States dollars.

7. In the foregoing connexion, it was the unanimous decision of the Fifth Committee, during the twenty-fifth session of the General Assembly in 1970, to include the following paragraph in its report: 1/

"In the context of the factor regarding the ability of Member States to secure foreign currency, and taking into account General Assembly resolution 2291 (XXII), the Committee recommends that the needs of the Organization in currencies other than the United States dollar should be met by giving priority for payments in non-United States currencies to the countries whose currencies they may be."

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1/ Official Records of the General Assembly, Twenty-fifth Session, Annexes, agenda item 77, document A/8183, para.8.

At the twenty-sixth session of the General Assembly, the Fifth Committee, in discussing once again the question of contributions in currencies other than United States dollars, decided without objection to include in its report 2/ the following paragraph, which was endorsed by the General Assembly at its 1979th plenary meeting on 8 November 1971:

"The Fifth Committee took note of the fact that, in making arrangements for payments by Member States of 1971 contributions in currencies other than United States dollars, the Secretary-General had taken into account the recommendation of the Fifth Committee set forth in paragraph 8 of its report to the General Assembly at its twenty-fifth session /A/8183/. In that connexion, the Fifth Committee approved the interpretation given by the Secretary-General to the meaning of the word 'priority' mentioned in that directive, which he had correctly taken to mean absolute priority and recommends that the Secretary-General should continue to implement that directive in the same manner in the future."

7. In making arrangements for the payment of contributions for 1978, the Secretary-General, in a communication dated 6 January 1978 (the relevant portion of which is reproduced as Annex II to this document), informed Member States of the currencies other than United States dollars which it was estimated would be required by the Organization for the financing of its expenses. The 19 such currencies are listed below:

Austrian schillings	Israeli pounds	Netherlands guilders
Belgian francs	Italian lire	Pakistan rupees
Chilean pesos	Jordanian dinar	Pounds sterling
Egyptian pounds	Kenyan shillings	Swiss francs
Ethiopian dollars	Lebanese pounds	Syrian pounds
French francs	Mexican pesos	Thailand baht
Indian rupees		

Following replies received from Member States, and at the time of the preparation of this report, arrangements have been made to accept from 9 States the equivalent of \$3.1 million in seven currencies other than the United States dollar, as follows:

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2/ Official Records of the General Assembly, Twenty-sixth Session, Annexes, agenda item 80, document A/8489, para. 11.

United Nations regular budget and the  
 United Nations Emergency Force-1973 (UNEF)

<u>Currency of payment</u>	<u>Member State</u>	<u>US dollar equivalent</u>	
		<u>Budget</u>	<u>UNEF</u>
Egyptian pounds	Egypt	322,367	14,533
Indian rupees	India	97,204	-
	Bhutan	36,296 <sup>3/</sup>	-
Pakistan rupees	Pakistan	286,071	-
	United States of America	394,000 <sup>4/</sup>	-
Portuguese escudos	Portugal	82,000	-
Pounds sterling	United Kingdom of Great Britain and Northern Ireland	1,800,000	-
Somali shillings	Somalia	18,148	-
Syrian pounds	Syria	80,591	-
		3,116,677	14,533
Total		3,131,210	

The foregoing amount compares with a total of \$4.4 million which the Committee had been informed, at its thirty-seventh session in 1977, would be accepted from 10 States in eight currencies other than dollars. In fact payments totalling the equivalent of \$3.4 million in 13 currencies was received from 16 States.

<sup>3/</sup> Accepted with the express agreement of India.

<sup>4/</sup> After allowing for payment in full by Pakistan of its budgetary assessment.

MEMBER STATES WHOSE ARREARS OF CONTRIBUTIONS IN RESPECT OF THE UNITED NATIONS REGULAR BUDGET, THE UNITED NATIONS EMERGENCY FORCE-1973 (UNEF) AND THE UNITED NATIONS DISENGAGEMENT OBSERVER FORCE (UNDOF) EXCEEDED ON 1 JANUARY 1978 THE LIMIT PRESCRIBED IN ARTICLE 19 OF THE CHARTER

	ASSESSMENTS PAYABLE			ARREARS			Excess of Arrears over Assessment \$
	Regular Budget a/ \$	UNEF/ UNDOF b/ \$	Total \$	Regular Budget c/ \$	UNEF/ UNDOF \$	Total \$	
1. Central African Empire	153,319.00	9,452.00	162,771.00	200,488.50	14,513.00	215,001.50	52,230.50
2. Democratic Kampuchea	153,319.00	9,452.00	162,771.00	204,957.55	14,513.00	219,470.55	56,699.55
3. Dominican Republic	153,319.00	9,452.00	162,771.00	206,176.00	13,311.00	219,487.00	56,716.00
4. Paraguay	153,319.00	9,452.00	162,771.00	204,473.00	14,513.00	218,986.00	56,215.00
5. South Africa	3,435,370.00	1,110,277.00	4,545,647.00	5,929,108.68	1,585,241.00	7,514,349.68	2,968,702.68

a/ Gross assessments for the years 1976 and 1977, excluding credits relating to the Working Capital Fund.

b/ Includes amounts appropriated in 1975 and 1976 which were not payable until 1976 and 1977, viz., appropriations for UNEF for the period 25 October 1975 to 24 October 1977 and for UNDOF for the period 25 April 1975 to 31 May 1977.

c/ Net contributions payable.

Annex II

EXTRACT FROM THE SECRETARY-GENERAL'S COMMUNICATION  
DATED 6 JANUARY 1978 TO ALL MEMBER STATES CONCERNING  
ARRANGEMENTS FOR THE PAYMENT OF 1978 CONTRIBUTIONS  
IN CURRENCIES OTHER THAN UNITED STATES DOLLARS

Under the provisions of sub-paragraph (c) of its resolution 32/39 of 2 December 1977, the General Assembly authorized the Secretary-General to accept a portion of the contributions of Member States for the calendar year 1978 in currencies other than United States dollars. The non-US currencies which it is estimated will be required by the United Nations for the financing of its expenses in 1978 follow:

Austrian schillings	Kenyan shillings
Belgian francs	Lebanese pounds
Chilean pesos	Mexican pesos
Egyptian pounds	Netherlands guilders
Ethiopian birr	Pakistan rupees
French francs	Pounds sterling
Indian rupees	Swiss francs
Israeli pounds	Syrian pounds
Italian lire	Thailand baht
Jordanian dinar	

Should Member States wish to make payment of their contributions in one or more of the foregoing currencies, notification to that effect will be required no later than 15 February 1978. At the same time, the maximum amount that the Government wishes to remit in each currency should be indicated, together with the approximate date of payment. Member States replying affirmatively by 15 February 1978, will be advised as soon as possible thereafter of specific amounts that may be remitted in indicated currencies and of the bank accounts to which deposits should be made. It will be appreciated, of course, that the extent to which the wishes of Member States can be accommodated will depend on the level of estimated expenditures to be incurred by the United Nations in currencies other than United States dollars, and that this, in turn, is directly affected by the date such currencies are made available.

As in past years, the payment of contributions in currencies other than United States dollars will be subject to the conditions enumerated in the following paragraphs.

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

The dollar equivalent of contributions paid in currencies other than United States dollars will be calculated at the most favourable rate of exchange effective on the date of payment and available to the United Nations. However, if at any time during the year following the date of payment of contributions in non-US currencies there should occur a reduction in the exchange value of an allocated currency in terms of United States dollars, Member States will be required to make payment to cover the exchange variations as of the effective date of the change in rate unless the Organization was able to expend the currency before that date.