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COMMITTEE ON CONTRIBUTIONS

Forty-first 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. At the opening of the resumed thirty-fifth session of the General Assembly on 3 March 1981, the Central African Republic and South Africa were in arrears in the payment of their assessed contributions under the terms of Article 19. A statement of their arrears as of 1 January 1981 and of the contributions due for the preceding two full years is given in annex I to this document.

3. By letter of 26 February 1981, the Permanent Representative of the Central African Republic to the United Nations asked the Secretary-General to make an exception to Article 19 of the Charter and to allow the Central African Republic to participate in all votes which would take place within the course of 1981. Recognizing that this matter should be dealt with by the General Assembly, the Secretary-General addressed a letter to the President of the General Assembly, drawing the latter's attention to the communication dated 26 February 1981 from the Permanent Representative of the Central African Republic to the United Nations. At the 104th plenary meeting of the General Assembly, the President of the General Assembly made the following statement:

"Before we proceed with the agenda for this morning, I should like to invite the attention of the Assembly to document A/35/792/Add.3, which contains a letter of 2 March 1981 addressed to me by the Secretary-General. This letter transmits a communication from the Permanent Representative of the Central African Republic to the United Nations which contains, in particular, the following request, and I quote:

"In view of this situation, which is due to circumstances beyond my country's control, I would request you to make an exception to the application of Article 19 of the Charter of the United Nations and authorize the delegation of the Central African Republic to participate in all votes taken at the resumed thirty-fifth regular session of the General Assembly and any other sessions which may be held in 1981.'

"In this regard, I would point out that rule 160 of the rules of procedure stipulates that the Committee on Contributions shall advise the General Assembly 'on the action to be taken with regard to the application of Article 19 of the Charter'.

"In view of the nature of the request, I would suggest that the Committee on Contributions be invited to consider this matter as expeditiously as possible."

4. In addition to Ambassador Kibanda's letter to the Secretary-General, which is reproduced in full in annex II to this document, the Secretary-General had also received a communication from the President of the Central African Republic dated 15 January 1981 to which he replied on 23 January 1981. The texts of these two communications are also given in annex II.

5. In reviewing the request of the Central African Republic, the Committee will have to decide whether the Central African Republic's failure to pay is due to conditions beyond the control of the Member. The consistent practice of the United Nations, as borne out by the proceedings of the General Assembly and of the Committee on Contributions, indicates that the conditions referred to were calamities such as floods, earthquakes, civil strife and economic collapse, which made it impossible for the Member concerned to raise the funds necessary to meet its financial obligations. Arrival at such a finding would entail examination of technical data regarding the effect on the economy of a Member State of such natural disasters. These technical data, as well as other pertinent information on the economic and financial situation of the Central African Republic, are given in document A/CN.2/R.443.

6. Besides the advice that the Committee will give to the General Assembly on the action to be taken with regard to the application of Article 19 of the Charter, 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 that (a) it had taken note of the report of the Secretary-General; (b) 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) 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

7. On the recommendation of the Committee on Contributions, the General Assembly, by its resolution 34/6 A, paragraph 3, of 25 October 1979, 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 years 1980, 1981 and 1982 in currencies other than United States dollars.

8. 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."

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. 3/ 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."

9. In making arrangements for the payment of contributions for 1981, the Secretary-General, in a communication dated 7 January 1981, informed Member States of the currencies other than United States dollars which it was estimated

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

2/ Ibid., Twenty-sixth Session, Annexes, agenda item 80, document A/8489, para. 11.

3/ Ibid., Twenty-fifth Session, agenda item 77, document A/8183.

would be required by the Organization for the financing of its expenses. The 19 such currencies are listed below:

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

Following replies received from Member States, and at the time of the preparation of this report, arrangements have been made to accept from eight States the equivalent of \$1.2 million in seven currencies other than the United States dollar as follows:

United Nations regular budget

<u>Currency of payment</u>	<u>Member State</u>	<u>United States dollar equivalent</u>
Czechoslovak korunas	Czechoslovakia	40,000
Egyptian pounds	Egypt	50,000
French francs	Comoros	47,291
Indian rupees	India	324,000
Nicaraguan córdobas	Nicaragua	48,500
Pakistan rupees	Pakistan	399,896
Turkish liras	United States	250,000
	Turkey	35,000
Total		<u>1,194,687</u>

The foregoing amount compares with a total of \$2.6 million which the Committee had been informed, at its fortieth session in 1980, would be accepted from six States in five currencies other than dollars. In fact payments totalling the equivalent of \$4.7 million in 12 currencies were received from 15 States.

10. It will be noted that for 1981, three of the currencies shown above were not included in the Secretary-General's communication of 7 January 1981. In the case of Czechoslovak korunas and Turkish liras the omission was due to the fact that the Organization's expenses in these currencies were relatively small. However, following the requests from the respective Governments, it was agreed to accept the equivalent in korunas of \$40,000 and in Turkish liras of \$35,000. With regard to the Nicaraguan córdobas, we had obtained UNDP agreement to utilize córdobas for its own expenses and credit the United Nations with the dollar equivalent at the time payment was made. However, any loss on exchange that might subsequently be incurred by UNDP would be defrayed by the United Nations, and, in turn, by the Government of Nicaragua.

Annex I

MEMBER STATES WHOSE ARREARS OF ASSESSED CONTRIBUTIONS EXCEED
THE LIMITS PRESCRIBED IN ARTICLE 19 OF THE CHARTER

(In United States dollars)

A. Central African Republic

Assessed contributions (gross) <u>(1)</u>	Arrears as of 15 May 1981 (net) <u>(2)</u>	Minimum payment required under Article 19 <u>(3)=(2)-(1)+\$1</u>
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Regular budget

1979
1980

57 210
59 894
117 104

Subtotal

148 126 a/

UNEF/UNDOF combined

25 Oct. 1978-31 May 1979 1980
UNEF 25 July 1979-24 Apr. 1980
UNDOF 1 June 1979-24 Oct. 1979
UNDOF 25 Oct. 1979-31 May 1980
UNDOF 1 June 1980-30 Nov. 1980

1 402
363
160
292
252
2 469

Subtotal

19 049

UNIFIL

19 Jan. 1979-18 June 1979
19 June 1979-31 Oct. 1979
1 Nov. 1979-18 Dec. 1979
19 Dec. 1979-18 June 1980
19 June 1980-18 Dec. 1980

1 036
893
325
1 292
1 292
4 838

Subtotal

6 894

Total

124 411

174 069

49 659

<u>B. South Africa</u>			
	Assessed contributions (gross) (1)	Arrears as of 15 May 1981 (net) (2)	Minimum payment required under Article 19 (3)=(2)-(1)+\$1
<u>Regular budget</u>			
1979	2 402 818		
1980	2 515 559		
Subtotal	<u>4 918 377</u>	11 771 960	
<u>UNEF/UNDOF combined</u>			
25 Oct. 1978-31 May 1979	294 919		
UNEF 25 July 1979-24 Apr. 1980	76 448		
UNDOF 1 June 1979-24 Oct. 1979	33 744		
UNDOF 25 Oct. 1979-31 May 1980	61 492		
UNDOF 1 June 1980-30 Nov. 1980	<u>52 828</u>		
Subtotal	519 431	2 463 174	
<u>UNIFIL</u>			
19 Jan. 1979-18 June 1979	218 005		
19 June 1979-31 Oct. 1979	187 979		
1 Nov. 1979-18 Dec. 1979	68 356		
19 Dec. 1979-18 June 1980	271 332		
19 June 1980-18 Dec. 1980	<u>271 333</u>		
Subtotal	1 017 005	1 449 102	
Total	6 454 813	15 684 236	9 229 424

a/ Represents arrears in the payment of assessed contributions to regular budget as follows:

1977 (partial)	\$ 13 010
1978	36 296
1979	47 614
1980	51 206
	<u>148 126</u>

Annex II

Letter dated 26 February 1981 from the Permanent Representative of
the Central African Republic to the United Nations addressed to the
Secretary-General

[Original: French]

I have the honour to inform you that owing to its many economic difficulties the Central African Republic, which has just emerged from a debilitated situation, is not in a position to honour in the immediate future all its international, and even its national, commitments.

In the message recently addressed to you by His Excellency Mr. David Dacko, President of the Central African Republic, which was delivered to you by the Minister for Foreign Affairs of the Central African Republic during his visit to New York in January, the head of State emphasized that the Government was confronted with a serious budgetary crisis and an enormous public debt which impairs the efforts being undertaken in the field of development and reconstruction.

This situation was confirmed by the mission of Mr. Abdulrahim A. Farah which visited Bangui a few days ago.

In view of this situation, which is due to circumstances beyond my country's control, I would request you to make an exception to the application of Article 19 of the Charter of the United Nations and authorize the delegation of the Central African Republic to participate in all votes taken at the resumed thirty-fifth regular session of the General Assembly and any other sessions which may be held in 1981.

Such authorization will be provisional, pending consideration by the competent Secretariat services of the request submitted by the Government of the Central African Republic, as contained in the above-mentioned message.

(Signed) Simon-Pierre KIBANDA
Ambassador,
Permanent Representative to
the United Nations

Letter dated 15 January 1981 from the President
of the Central African Republic addressed to the
Secretary-General

/Original: French/

On 5 December 1980, the General Assembly of the United Nations proceeded to the historic adoption of the resolution dealing with assistance in the reconstruction, rehabilitation and development of the Central African Republic, which for 14 years had been ravaged by a régime decried by the entire international community.

That decision, inspired by the great faith which has motivated our Organization since you have been presiding over its noble endeavours, was unanimously welcomed by the people of the Central African Republic, who are more than ever determined to hasten the advent of their full political, economic and social development.

While expressing its complete satisfaction with the provisions of that resolution, the Central African Republic, which is only now recovering from being bled dry, trusts that the scheduling of assistance recommended therein will be brought forward and consideration given to the possibility of waiving or postponing or cancelling the payment of its arrears of contributions to the operating budgets of the principal agencies of the United Nations system for the budget periods that have already elapsed.

As regards future budget periods, the Government of the Central African Republic has taken significant measures to remit its contributions regularly, beginning in 1981.

It is therefore in consideration of these factors, which will permit a rapid implementation of the above-mentioned resolution, that a governmental mission of the Central African Republic led by Professor Simon BEDAYA NGARO, Minister for Foreign Affairs, will visit New York and Geneva with a view to making preliminary contacts with the senior officials of the organizations of the United Nations system.

I should like finally to assure you that I personally have entrusted the Minister for Foreign Affairs with the task of transmitting this message to you and conveying to you my sincere thanks. I trust that you will give credence to all that he has to say to you in my name, particularly when he expresses the high esteem in which I hold you.

Accept, Sir, the assurances of my highest consideration.

(Signed) David DACKO
President of the
Central African Republic

Letter dated 23 January 1981 from the Secretary-General
of the United Nations to the President of the Central
African Republic

/Original: French/

I wish to thank you for the message which you were kind enough to send me through your Minister for Foreign Affairs. It was with warm interest that I listened to it and held discussions with the Minister on the questions which you raised.

With respect to the assistance which your country needs for its reconstruction and rehabilitation, I should like to assure you that the United Nations will spare no effort to provide it to your Government as quickly as possible. I have requested Under-Secretary-General Abdulrahim A. Farah, Co-ordinator for Special Economic Assistance Programmes, to visit Bangui next week in order to undertake the necessary consultations with the authorities of the Central African Republic. The details of this mission will be provided to your Government through your Permanent Mission.

The question of payment of your arrears has also received my full attention and, as I have indicated to Mr. Kouala Yaboro, I have requested the Under-Secretary-General for Administration, Finance and Management to study the situation of your country within the framework of the provisions of Article 19 of the Charter, in consultation with your Permanent Mission. I trust that a satisfactory solution will be found.

In thanking you again for your message and for having been good enough to send the Minister for Foreign Affairs to New York, I ask you to accept, Sir, the assurances of my highest consideration.

(Signed) Kurt WALDHEIM
Secretary-General of the United Nations
