



## General Assembly

Distr.  
GENERAL

A/42/882  
20 December 1987  
ENGLISH  
ORIGINAL: FRENCH

Forty-second session  
Agenda item 117

### FINANCIAL EMERGENCY OF THE UNITED NATIONS

#### Report of the Fifth Committee

Rapporteur: Mr. Félix ABOLY-BI-KOUASSI (Côte d'Ivoire)

#### I. INTRODUCTION

1. At its 3rd plenary meeting, on 18 September 1987, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its forty-second session, 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"

and to allocate it to the Fifth Committee.

2. For its consideration of the item, the Fifth Committee had before it a report of the Secretary-General (A/C.5/42/31).

3. The Committee considered this item at its 56th, 57th, 59th to 61st and 67th meetings, on 8 to 11 and 19 December 1987. 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.5/42/SR.56, 57, 59, 60, 61 and 67).

#### II. CONSIDERATION OF PROPOSALS

4. At the 67th meeting, on 19 December, the representative of Ghana introduced a draft resolution entitled "Financial emergency of the United Nations" (A/C.5/42/L.25) which contained draft resolutions A and B, sponsored by Canada, Denmark, Fiji, Finland, Ghana, Ireland, Morocco, Norway, Pakistan and Sweden.

5. At the same meeting, the representative of Ghana orally revised draft resolution A, by adding two new operative paragraphs as follows:

"10. Decides to suspend financial regulations 4.3, 4.4 and 5.2 (d) in respect of surpluses arising at the end of the financial period 1986-1987;

"11. Decides further that should the situation regarding unpaid assessments improve in future, the General Assembly would, at that time, decide on the disposition of the amounts held in suspense (or portion thereof);"

and operative paragraph 10 of the draft resolution was renumbered operative paragraph 12.

6. At the same meeting, the representative of Yemen proposed that the ninth preambular paragraph of draft resolution A, which read:

"Taking note of the views expressed in the Fifth Committee,"

be revised as follows:

"Taking into account the views expressed by Member States in the Fifth Committee during the forty-second session of the General Assembly,"

The amendment was accepted by the sponsors of the draft resolution.

7. At the same meeting, the representative of the German Democratic Republic proposed that the draft resolution be further revised by the substitution, in operative paragraph 11, for the word "disposition", of the phrase "return to Member States". The amendment was accepted by the sponsors of the draft resolution.

8. At the same meeting, the Committee adopted, without a vote, the draft resolutions in document A/C.5/42/L.25, draft resolution A, as orally revised, and draft resolution B (see para. 8, draft resolutions A and B).

### III. RECOMMENDATION OF THE FIFTH COMMITTEE

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

Financial emergency of the United Nations

A

Financial emergency

The General Assembly,

Having considered the report of the Secretary-General on the analysis of the financial situation of the United Nations, 1/

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, 39/239 B of 18 December 1984, 40/241 A and B of 18 December 1985 and 41/204 A and B of 11 December 1986,

Mindful of the report of the Negotiating Committee on the Financial Emergency of the United Nations 2/ and of the views expressed by Member States thereon in the Fifth Committee at the thirty-second session of the General Assembly, 3/

Reiterating earlier appeals to Member States, without prejudice to their position of principle, to make voluntary contributions to the Special Account referred to in annex VI 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, although marginally reduced during the year, is expected to exceed \$350 million as at 31 December 1987, .

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

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1/ A/C.5/42/31.

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

3/ Ibid., Thirty-second Session, Fifth Committee, 32nd, 33rd, 35th, 37th, 39th and 60th meetings; and ibid., Fifth Committee, Sessional Fascicle, corrigendum.

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 contributory factors in the delay in the payment of assessed contributions,

Taking into account the views expressed by Member States in the Fifth Committee during the forty-second session of the General Assembly,

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 under the Charter;

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 that 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-third 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. Requests the Secretary-General to update, as necessary, the information provided in his report 1/ on the practices of other organizations of the United Nations system for achieving prompt and full payment of assessed contributions and to report to the General Assembly at its forty-third session;

10. Decides to suspend financial regulations 4.3, 4.4 and 5.2 (d) in respect of surplus arising at the end of the financial period 1986-1987;

11. Decides further that should the situation regarding unpaid assessments improve in the future the General Assembly would, at that time, decide on the return to Member States of the amounts held in suspense (or portion thereof);

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

B

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, 1/

Recalling its resolution 41/204 B of 11 December 1986,

Recognizing that, pending a comprehensive settlement of the differences that 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 almost completed,

1. Recalls its decision, in accordance with its resolution 40/242 of 18 December 1985, to place one half of the revenue earned therefrom at the disposal of the Secretary-General for the implementation of objectives as detailed in the Declaration on the Critical Economic Situation in Africa, 4/ adopted by the General Assembly on 3 December 1984, and to place the remaining half in a special account;

2. Requests the Secretary-General to submit a final financial report to the General Assembly at its forty-third session.

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4/ Resolution 39/29, annex.