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FINANCIAL EMERGENCY OF THE UNITED NATIONS

Analysis of the financial situation of the United Nations

Report of the Secretary-General

1. At its thirty-fourth session the General Assembly, in its consideration of the item 'Financial emergency of the United Nations', had before it the report of the Secretary General (A/C.5/34/44 and Corr.1), providing an analysis of the financial situation of the United Nations, but decided to defer this item for consideration until its thirty-fifth session. In this regard the Secretary-General presents, herewith, a current report which up-dates to 30 June 1980 the information contained in document A/C.5/34/44.

2. Annexes I through V of the present report provide detailed information regarding the extent, rate of increase and composition of the deficit of the Organization, as well as voluntary contributions received from Member States and other sources. They are entitled as follows:

- Annex I. Comparative analysis of the short-term deficit of the United Nations as at 30 June 1980 and 1979.
- Annex II. United Nations regular budget: estimated withholding by Member States from the regular budget of the United Nations
- Annex III. Estimated withholding by certain Member States which they have stated to be for reasons of principle: United Nations Emergency Force (UNEF) and United Nations Disengagement Observer Force (UNDOF) and United Nations Truce Supervision Force in Lebanon (UNIFIL).
- Annex IV. United Nations Special Account voluntary contributions as at 30 June 1980 and 1979
- Annex V. United Nations General Fund, Working Capital Fund and special accounts: estimated statement of cash position for 1980.

3. With regard to annex I, it should be noted, as it has been in the past (documents A/AC.184/1, A/31/37, A/C.5/33/46 and A/C.5/34/44), that the "B" deficit is the "A" deficit plus the amount which some Member States feel is to be paid or credited from "surplus accounts" to Member States that paid contributions to UNEF (1956) and the United Nations Operation in the Congo (ONUC). There have been estimated increases in the short-term "A" and "B" deficits since they were last reported to the Fifth Committee in the report of the Secretary-General on the financial situation of the United Nations contained in document A/C.5/34/44 dated 20 November 1979. For the calendar year 1980 (estimated at 30 June 1980), they rose 11.0 per cent and 10.0 per cent, respectively, or from \$188.4 million and \$205.1 million to \$209.2 million and \$225.7 million, representing an over-all increase of \$20.8 million in the "A" and \$20.6 million in the "B" deficits. On an individual account basis, the United Nations regular budget deficit rose \$3.9 million, that of UNEF/UNDOF \$4.1 million, that of UNIFIL \$15.3 million and that of UNEF (1956) \$1.7 million. However, these increases, totalling \$25 million, were reduced to the \$20.6 million net figure shown for the "B" deficit by an offset of interest earned during the period of \$4.3 million and a reduction in the ONUC deficit of \$0.1 million.

4. Annex II gives details by activity within the United Nations regular budget of the estimated withholdings of Member States. Annex III provides information by Member States for UNEF/UNDOF and UNIFIL withholdings.

5. Annex IV provides a comparative schedule as between 30 June 1980 and 30 June 1979 of voluntary contributions from Member States and other sources of income to the United Nations Special Account. Although there have been no new contributions by Member States, this schedule shows a net increase in the Special Account of \$4.3 million, representing interest earned.

6. Annex V is a cash-flow schedule for the year 1980. Through 31 August 1980 the figures provided are actual, but for the last four months of the year they are estimated. It is anticipated that there will be a deficit balance of \$6,700,000 in this account at year-end. In this connexion, it should be pointed out that variances in actual collections or expenditure, or both, from those assumed for the months of September to December 1980 could result in a significant difference in the balance anticipated at year-end.

# Annex I

## COMPARATIVE ANALYSIS OF THE SHORT-TERM DEFICIT OF THE UNITED NATIONS AS AT 30 JUNE 1980 AND 1979 (Expressed in millions of United States dollars)

	1980	1979
1. <u>Regular budget and Working Capital Fund</u>		
a. Amounts withheld by Member States which, because of positions of principle, have not participated in the financing of certain Regular Budget items	72.0	68.1
b. Special account for assessed contributions unpaid pursuant to General Assembly resolution 3049 C (XXVII)	<u>16.6</u>	<u>16.6</u>
Subtotal	<u>88.6</u>	<u>84.7</u>
2. <u>UNEF (1973) and UNDOF</u>		
Amounts Members States have stated are being withheld	<u>58.4 a/</u>	<u>54.3</u>
3. <u>UNIFIL</u>		
Amounts Member States have stated are being withheld	<u>67.7 b/</u>	<u>52.4</u>
4. <u>UNEF (1956)</u>		
Conditional voluntary contributions received; repayable to Governments	0.6	0.6
Obligations incurred in excess of assessed contributions, voluntary contributions and miscellaneous income available	40.6 c/d/	38.5
Less: Financed from the United Nations bonds	(8.1)	(8.1)
Financed from the United Nations Special Account, General Assembly resolution 2115 (XX)	<u>(3.9)</u>	<u>(3.9)</u>
Net obligations incurred in excess of available funds	<u>29.2</u>	<u>27.1</u>
5. <u>ONUC</u>		
Conditional voluntary contributions received; repayable to Governments	1.6	1.6
Obligations incurred in excess of assessed contributions, voluntary contributions and miscellaneous income available	48.0 c/e/	48.3
Less: Financed from the United Nations bonds	<u>(35.9)</u>	<u>(35.9)</u>
Net obligations incurred in excess of available funds	<u>13.7</u>	<u>14.0</u>
6. <u>Total gross deficit</u>	257.6	232.5
7. <u>Less: Voluntary contributions and pledges to the United Nations Special Account</u>	<u>(48.4) f/q/</u>	<u>(44.1)</u>
8. <u>Net "A" deficit</u>	209.2	188.4
9. <u>Add: Amounts to be repaid or credited to Member States from surplus accounts for contributions to:</u>		
UNEF (1956)	0.7	1.1
ONUC	<u>15.8</u>	<u>15.6</u>
10. <u>Net "B" deficit</u>	<u>225.7</u>	<u>205.1</u>

a/ Estimated cumulative withholdings from the inception of UNEF in 1973 through the completion of its liquidation and from the inception of UNDOF in 1974 to 30 November 1980.

b/ Estimated cumulative withholdings from the inception of UNIFIL on 19 March 1978 to 18 December 1980

c/ The amounts shown include an allowance of \$4.2 million resulting from currency translations.

d/ The above amounts for UNEF (1956) have taken into consideration the claims received from Governments but not yet accepted by the United Nations and estimates for provisions in respect of reimbursable costs for which no claims have yet been received from Governments.

e/ Provision has been made in the above table for reimbursable costs for which claims have been received but not accepted and for the estimated claims for services supplied by Governments to ONUC.

f/ Excludes \$10 million received for the purposes of General Assembly resolution 3049 A (XXVII), which was contributed with the expectation of inducing other Member States to make voluntary contributions of sufficient amount to arrive at a total solution of the financial problems of the Organization.

g/ Includes \$0.1 million pledged by a Member State for which payment has not yet been received.



Annex II

UNITED NATIONS REGULAR BUDGET

ESTIMATED WITHHOLDING BY MEMBER STATES FROM  
THE REGULAR BUDGET OF THE UNITED NATIONS

PROJECTED TO 31 DECEMBER 1980

AS AT 30 JUNE 1980

(In thousands of United States dollars)

	<u>Bond issue</u>	<u>Regular programme of technical assistance</u>	<u>Other budget items</u>	<u>Total</u>
Albania	45.3	-	37.0	82.3
Bulgaria	245.7	207.0 <u>a/</u>	44.4	497.1
Byelorussian SSR	713.8	704.9	132.8	1 551.5
China	3 711.3	-	114.2	3 825.5
Cuba	18.6	-	9.8	28.4
Czechoslovakia	1 400.3	-	216.9	1 617.2
Democratic Kampuchea	-	-	70.6 <u>b/</u>	70.6
France	4 367.5 <u>c/</u>	-	-	4 367.5
German Democratic Republic	808.0	987.0	83.8	1 878.8
Hungary	662.9	-	249.1	912.0
India	-	-	47.5	47.5
Mongolia	45.3	-	7.2	52.5
Poland	2 060.3	-	284.0	2 344.3
Portugal	245.2	-	3.7	248.9
Romania	473.5	-	376.2	849.7
South Africa	742.5	-	11 037.4 <u>d/</u>	11 779.9
Ukrainian SSR	2 683.5	1 606.7 <u>e/</u>	499.9	4 790.1
USSR	20 330.9	12 925.6 <u>f/</u>	3 786.8	37 043.3
	<u>38 554.6</u>	<u>16 431.2</u>	<u>17 001.3</u>	<u>71 987.1</u>

a/ The equivalent of \$36,987 in leva was accepted in 1978 and 1979 and credited to contributions due in respect of the regular budget as follows:

1978	\$ 18 849
1979	<u>18 138</u>
Total	\$ <u>36 987</u>

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(continued)

b/ Represents arrears of contributions for periods preceding 17 April 1975, which obligations Democratic Kampuchea states it does not recognize.

c/ Withholding relates to the years 1963 through 1971 only.

d/ Includes arrears of contributions through 1980 which South Africa indicates will only be paid upon assurance that its rights are fully restored.

e/ The equivalent of \$1,040,500 in roubles was accepted in 1968, 1970 and 1977 and credited to contributions due in respect of the regular budget, as follows:

1967	\$ 630 000
1970	250 000
1977	<u>160 500</u>
	\$ <u>1 040 500</u>

f/ The equivalent of \$7,204,500 in roubles was accepted in 1976, 1977, 1979 and 1980 and credited to contributions due in respect of the regular budget, as follows:

1976	\$ 2 600 000
1977	1 239 500
1978	0
1979	2 740 000
1980	<u>625 000</u>
Total	\$ <u>7 204 500</u>

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Annex III

ESTIMATED WITHHOLDING BY CERTAIN MEMBER STATES WHICH  
THEY HAVE STATED TO BE FOR REASONS OF PRINCIPLE:  
UNITED NATIONS EMERGENCY FORCE (UNEF) AND UNITED NATIONS  
DISENGAGEMENT OBSERVER FORCE (UNDOF) AND UNITED NATIONS  
INTERIM FORCE IN LEBANON (UNIFIL)

As at 30 June 1980

(In thousands of United States dollars)

	<u>UNEF and UNDOF</u>	<u>UNIFIL</u>
Albania	18.7	5.6
Algeria	-	59.5
Benin	9.1	2.6
Bulgaria	23.3	82.4
Byelorussian SSR	490.4	1 157.4
China	35 044.6	15 470.9
Cuba	-	62.6
Congo	19.1	6.9
Czechoslovakia	444.9	2 391.2
Democratic Kampuchea	18.6	-
Democratic Yemen	4.1	2.7
German Democratic Republic	1 593.9	3 834.7
Hungary	-	188.2
Iraq	73.4	50.7
Lao People's Dem. Rep.	-	2.7
Libyan Arab Jamahiriya	152.9	100.2
Mongolia	7.4	5.6
Poland	-	3 871.4
South Africa <u>a/</u>	2 395.6	1 198.8
Syrian Arab Republic	22.5	12.5
Ukrainian SSR	1 793.9	4 322.4
Vietnam	11.4	16.9
USSR	16 243.8	34 822.4
Yemen	<u>9.1</u>	<u>-</u>
	<u>58 376.7</u>	<u>67 668.3</u>

a/ It is assumed that South Africa's position on UNIFIL will be similar to that relating to the budget and to UNEF and UNDOF.

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Annex IV

UNITED NATIONS SPECIAL ACCOUNT  
VOLUNTARY CONTRIBUTIONS AS AT 30 JUNE 1980 AND 1979  
(Expressed in United States dollars)

	<u>Received pursuant to resolution 2053 A (XX)</u>	<u>Received pursuant to resolution 3049 A (XXVII)</u>	<u>1980 Total</u>	<u>1979 Total</u>
Member States voluntary contributions:				
Canada	3 871 769	-	3 871 769	3 871 769
Denmark	987 766	-	987 766	987 766
Egypt	50 000	-	50 000	50 000
Finland	507 865	-	507 865	507 865
France	3 900 000	-	3 900 000	3 900 000
Ghana	20 000	-	20 000	20 000
Greece	50 000	-	50 000	50 000
Iceland	80 000	-	80 000	80 000
Italy	1 499 755	-	1 499 755	1 499 755
Jamaica	10 000	-	10 000	10 000
Japan	2 500 000	10 000 000 a/	12 500 000	12 500 000
Kuwait	250 000	-	250 000	250 000
Liberia	8 000	-	8 000	8 000
Mali	4 990	-	4 990	4 990
Malta	9 000	-	9 000	9 000
Nigeria	20 000	-	20 000	20 000
Norway	678 136	-	678 136	678 136
Saudi Arabia	-	250 000	250 000	250 000
Sudan	100 000	-	100 000 b/	100 000 b/
Sweden	2 000 000	-	2 000 000	2 000 000
Tunisia	5 000	-	5 000	5 000
Uganda	19 000	-	19 000	19 000
United Arab Emirates	-	1 000 000	1 000 000	1 000 000
United Kingdom of Great Britain and Northern Ireland	9 527 943	-	9 527 943	9 527 943
Yugoslavia	100 000	-	100 000	100 000
Zaire	100 000	-	100 000	100 000
Zambia	14 000	-	14 000	14 000
Amount received pursuant to General Assembly resolutions 2053 A (XX) and 3049 A (XXVII)	<u>26 313 224</u>	<u>11 250 000</u>	37 563 224	37 563 224
Less: Contributions received from Japan pursuant to resolution 3049 A (XXVII) a/		10 000 00		
Amount appropriated for UNEF pursuant to resolution 2115, section II (XX)		<u>3 911 000</u>	<u>13 911 000</u>	<u>13 911 000</u>
Total			23 652 224	23 652 224
Add: Interest earned, public contributions and other income			<u>24 785 897 c/</u>	<u>20 438 274 c/</u>
Balance of United Nations Special Account applied to the short-term deficit			<u>48 438 121</u>	<u>44 090 498</u>

a/ This \$10 million was received for the purposes of General Assembly resolution 3049 A (XXVII), which was contributed with the expectation of inducing other Member States to make voluntary contributions.

b/ Represents pledges made in 1965 which are still outstanding.

c/ Excludes interest earned with effect from 1978 in respect of the \$10 million Japanese contribution received pursuant to General Assembly resolution 3049 A (XXVII). However, included in this figure is interest earned on investments being retained herein pending a final disposition at the end of the biennium.



Annex V

UNITED NATIONS GENERAL FUND, WORKING CAPITAL FUND AND SPECIAL ACCOUNTS  
ESTIMATED STATEMENT OF CASH POSITION FOR 1980 <sup>a/</sup>  
(Expressed in millions of United States dollars)

	31 January 1980 (actual)	29 February 1980 (actual)	31 March 1980 (actual)	30 April 1980 (actual)	31 May 1980 (actual)	30 June 1980 (actual)	31 July 1980 (actual)	31 August 1980 (actual)	30 September 1980 (estimated)	31 October 1980 (estimated)	30 November 1980 (estimated)	31 December 1980 (estimated)
Net adjusted cash at banks, on hand and invested at 1 January 1980	<u>( 5.8)</u>	<u>( 5.8)</u>	<u>( 5.8)</u>	<u>( 5.8)</u>	<u>( 5.8)</u>	<u>( 5.8)</u>	<u>( 5.8)</u>	<u>( 5.8)</u>	<u>( 5.8)</u>	<u>( 5.8)</u>	<u>( 5.8)</u>	<u>( 5.8)</u>
Income, regular budget:												
Assessed contributions	14.8 <sup>b/</sup>	63.1	150.9	181.3	282.3	346.9	389.5	393.6	424.2	475.8	481.8	512.8
Miscellaneous income	<u>1.2</u>	<u>2.5</u>	<u>4.5</u>	<u>5.9</u>	<u>7.3</u>	<u>9.5</u>	<u>10.8</u>	<u>11.8</u>	<u>12.9</u>	<u>14.6</u>	<u>16.4</u>	<u>19.7</u>
Total income, regular budget	<u>16.0</u>	<u>65.6</u>	<u>155.4</u>	<u>187.2</u>	<u>289.6</u>	<u>356.4</u>	<u>400.3</u>	<u>405.4</u>	<u>437.1</u>	<u>490.4</u>	<u>498.2</u>	<u>532.5</u>
Total cash available	<u>10.2</u>	<u>59.8</u>	<u>149.6</u>	<u>181.4</u>	<u>283.8</u>	<u>350.6</u>	<u>394.5</u>	<u>399.6</u>	<u>431.3</u>	<u>484.6</u>	<u>492.4</u>	<u>526.7</u>
Less: Disbursements in settlement of 1980 and prior years' obligations	<u>51.7<sup>b/</sup></u>	<u>86.9</u>	<u>135.6</u>	<u>184.5</u>	<u>236.1</u>	<u>293.9</u>	<u>332.6</u>	<u>372.7</u>	<u>412.5</u>	<u>452.0</u>	<u>488.9</u>	<u>533.4</u>
Net cash at banks, on hand and invested end of period	<u>(41.5)</u>	<u>(27.1)</u>	<u>14.0</u>	<u>(3.1)</u>	<u>47.7</u>	<u>56.7</u>	<u>61.9</u>	<u>26.9</u>	<u>18.8</u>	<u>32.6</u>	<u>3.5</u>	<u>( 6.7)</u>

<sup>a/</sup> Excludes \$10 million received for the purposes of General Assembly resolution 3049 A (XXVII), which was contributed with the expectation of inducing other Member States to make voluntary contributions of sufficient amount to arrive at a total solution of the financial problems of the Organization, and the cumulative interest earned thereon has been estimated at about \$1.5 million as of 31 December.

<sup>b/</sup> Includes \$6 million bookkeeping credits in respect of United Nations bond principal and interest repayment made on 15 January 1980.