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FINANCIAL EMERGENCY OF THE UNITED NATIONS

Report of the Fifth Committee

Rapporteur: Mr. Mario MARTORELL (Peru)

I. INTRODUCTION

1. At its 4th plenary meeting, on 18 September 1981, the General Assembly decided to include in its agenda the item entitled:

"Financial emergency of the United Nations:

- "(a) Report of the Negotiating Committee on the Financial Emergency of the United Nations;
 - "(b) Report of the Secretary-General",

and to allocate it to the Fifth Committee.

- 2. The Fifth Committee had before it the following documents:
 - (a) Report of the Secretary-General (A/C.5/36/28 and Corr.1 and 2);
- (b) Report of the Advisory Committee on Administrative and Budgetary Questions (A/36/701).
- 3. The Committee considered this item at its 56th, 57th, 58th, 63rd and 64th meetings, held on 27 November and 1, 2, 4 and 7 December 1981. Comments and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/36/SR.56, 57, 58, 63 and 64).

II. CONSIDERATION OF DRAFT RESOLUTIONS

A. Draft resolution A/C.5/36/L.14/Rev. 1

- 4. At the 56th meeting, on 27 November, the representative of Pakistan introduced draft resolution A/C.5/36/L.14/Rev.1 on behalf of Bangladesh, Colombia, the Comoros, Mauritania, Pakistan, Panama, Peru, Sierra Leone, Sri Lanka, Tunisia and Zaire, subsequently joined by Somalia.
- 5. At its 57th meeting, the Committee adopted draft resolution A/C.5/36/L.14/Rev.1 by a recorded vote of 94 to 12, with 2 abstentions (see para. 8, draft resolution A). The voting was as follows: 1/

In favour: Antigua and Barbuda, Argentina, Australia, Austria, Bahrain, Bangladesh, Barbados, Belgium, Bhutan, Brazil, Burma, Burundi, Canada, Central African Republic, Chile, China, Colombia, Comoros, Congo, Costa Rica, Democratic Kampuchea, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Finland, France, Gabon, Germany, Federal Republic of, Ghana, Greece, Guatemala, Guyana, India, Indonesia, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Kenya, Kuwait, Lebanon, Lesotho, Liberia, Luxembourg, Madagascar, Malawi, Mali, Mauritania, Morocco, Netherlands, New Zealand, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Peru, Philippines, Portugal, Qatar, Romania, Saudi Arabia, Senegal, Sierre Leone, Somalia, Sri Lanka, Sudan, Suriname, Sweden, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United Republic of Tanzania, United

Against: Afghanistan, Bulgaria, Byelorussian Soviet Socialist Republic, Cuba, Czechoslovakia, German Democratic Republic, Hungary, Mongolia, Poland, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, Viet Nam.

Yugoslavia, Zaire, Zambia.

States of America, Upper Volta, Uruguay, Venezuela, Yemen,

Abstaining: Ethiopia, Spain.

B. Draft resolution A/C.5/36/L.17

6. At the 58th meeting, on 1 December, the representative of Panama introduced draft resolution A/C.5/36/L.17 on behalf of <u>Ecuador</u>, the <u>Libyan Arab Jamahiriya</u>, <u>Mauritania</u>, <u>Pakistan</u>, <u>Panama</u> and <u>Peru</u>.

¹/ At the 63rd meeting, on 4 December, the representatives of Guinea and Rwanda indicated that, had they been present, they would have voted in favour of the draft resolution.

7. At its 63rd meeting, on 4 December, the Committee adopted draft resolution A/C.5/36/L.17 by a recorded vote of 69 to 19, with 6 abstentions (see para. 8, draft resolution B). The voting was as follows:

In favour: Algeria, Argentina, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Bolivia, Brazil, Burma, Burundi, Canada, Central African Republic, Chile, China, Costa Rica, Denmark, Ecuador, Egypt, Ethiopia, Finland, Gabon, Ghana, Guatemala, Guinea, Guyana, India, Ireland, Israel, Jamaica, Jordan, Lesotho, Liberia, Malaysia, Mali, Mauritania, Mexico, Morocco, Nepal, New Zealand, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Peru, Qatar, Rwanda, Sierra Leone, Singapore, Spain, Sudan, Suriname, Sweden, Thailand, Togo, Trinidad and Tobago, Tunisia, Uganda, United Arab Emirates, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Yemen, Yugoslavia, Zaire, Zambia.

Afghanistan, Belgium, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, France, German Democratic Republic, Germany, Federal Republic of, Greece, Hungary, Italy, Japan, Mongolia, Poland, Turkey, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Australia, Congo, Ivory Coast, Netherlands, Portugal, Romania.

III. RECOMMENDATIONS 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

Α

The General Assembly,

Recalling the consensus of the Special Committee on Peace-keeping Operations adopted by the General Assembly on 1 September 1965, 2/

Reaffirming the collective responsibility of Member States for the financial security of the United Nations,

1. Takes note that the rate of assessment of China between 25 October 1971 and 31 December 1973 was established at 4 per cent and for the period 1974 to 1979

 $[\]frac{2}{1331}$ Official Records of the General Assembly, Nineteenth Session Supplement No. 15 (A/5815), p. 11, decision adopted by the General Assembly at its 1331st meeting on 1 September 1965.

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at 5.5 per cent, whereas after national income and related data became available, the rate was established at 1.62 per cent for 1980-82;

- 2. Requests the Secretary-General to compute and transfer to a special account the balances of the assessed contribution due from China between 25 October 1971 and 31 December 1981 in respect of peace-keeping operations;
- 3. <u>Welcomes</u> the understanding that as from 1 January 1982 China will contribute its share of assessed expenses for the United Nations Disengagement Observer Force and the United Nations Interim Force in Lebanon;
- 4. <u>Decides</u> in the light of the special circumstances, that the question of the applicability of Article 19 of the Charter of the United Nations in respect of the unpaid assessment referred to in paragraph 2 above shall not be raised.

В

The General Assembly,

<u>Having considered</u> the report of the Secretary-General on the analysis of the financial situation of the United Nations, $\underline{3}$ / as well as the related report of the Advisory Committee on Administrative and Budgetary Questions, $\underline{4}$ /

Recalling its resolutions 3049 (XXVII) of 19 December 1972, 3538 (XXX) of 17 December 1975, 32/104 of 14 December 1977 and 35/113 of 10 December 1980,

Noting with concern the continuing increase in the short-term deficit of the Organization,

Bearing in mind that a partial or interim solution of parts of the problem could enhance the liquidity of the Organization and might facilitate the achievement of further progress towards a comprehensive settlement, which is desired by all Member States,

Concerned that delays in the payment of assessed contributions by Member States exacerbates the financial difficulties of the Organization,

Reaffirming the resolve of Member States to achieve a comprehensive and lasting solution to the financial problems of the Organization,

Convinced that in the circumstances an appropriate increase in the level of the Working Capital Fund is required to assure the Organization's ability to meet on a current basis the expenditure needs of the regular budget,

^{3/} A/C.5/36/28 and Corr.1 and 2.

^{4/} A/36/701.

- 1. <u>Decides</u> to accept the recommendations of the Advisory Committee on Administrative and Budgetary Questions that:
- (a) The Working Capital Fund for the biennium 1982-1983 be established in the amount of \$100 million;
- (b) The provisions of regulations 5.2 (d), 4.3 and 4.4 of the Financial Regulations of the United Nations be suspended in respect of the surpluses arising at the end of the 1980-1981 and 1982-1983 bienniums;
- 2. Requests the Secretary-General to give effect to the decision in paragraph 1 above in the implementation of the relevant draft resolutions to be submitted under the agenda item on the programme budget;
- 3. <u>Urges</u> all Member States to review their pattern of payment of contributions to the regular budget of the United Nations with a view to paying future contributions in good time in accordance with regulation 5.4 of the Financial Regulations of the United Nations;
- 4. 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 appropriate, to the General Assembly at its thirty-seventh session;
- 5. Further requests the Secretary-General to submit to the General Assembly at its thirty-seventh session:
- (a) A progress report on the status of the project on the issuance of the special postage stamp; $\underline{5}/$
- (b) Detailed information relating to the extent, rate of increase and composition of the deficit of the Organization and to voluntary contributions received from Member States and other sources;
- 6. <u>Decides</u> to include in the provisional agenda of its thirty-seventh session the item entitled "Financial emergency of the United Nations: report of the Negotiating Committee on the Financial Emergency of the United Nations".

^{5/} See General Assembly resolution 35/113.