



SUMMARY RECORD OF THE 49th MEETING

Chairman: Mr. OKEYO (Kenya)

Chairman of the Advisory Committee on Administrative and  
Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 11.25 a.m.

AGENDA ITEM 50: CURRENT FINANCIAL CRISIS OF THE UNITED NATIONS (continued)

AGENDA ITEM 116: FINANCIAL EMERGENCY OF THE UNITED NATIONS (continued) (A/43/932; A/C.5/43/29 and Corr.1)

1. Mr. AKIMOTO (Japan) said that the Organization had been saved from financial disaster as a result of the efforts made by the Secretary-General and those Member States, in particular the developing countries, which had paid their assessed contributions in full and on time. Nevertheless, as a result of the continued practice of non-payment or partial payment of assessed contributions, the Organization's financial position still gave cause for concern, particularly in view of the expansion of peace-keeping operations. The Secretary-General appeared to be indicating that short-term measures had been exhausted, and that only the payment of all assessed contributions in full and on time would resolve the problem.

2. If efforts to end the crisis were to be successful, the Organization must continue to demonstrate its usefulness to all Member States. The introduction of penalties, even if politically possible, would not produce the desired result. Continued efforts should be made to improve administrative and budgetary efficiency, an area in which the Organization had already made considerable headway. Further progress could be promoted in such existing bodies as the Committee for Programme and Co-ordination - there was no need for any special mechanism or ad hoc bodies. It was important not to address only the income side of the problem; a comprehensive approach was required.

3. Individual Member States should reappraise their attitude towards the United Nations and give it higher priority, since much of the problem stemmed from the unwillingness of certain Member States to fulfil their legal obligations. In that connection his delegation noted that the Government of one Member State, which had initiated the practice of partial withholding, had recently expressed its recognition of the renewed effectiveness of the United Nations in serving the cause of world peace and security. It was to be hoped that that policy would be continued by the new Administration of the State concerned.

4. Forecasting the outlook was difficult, particularly given the expansion of peace-keeping activities. Such activities could aggravate the financial crisis, but would serve to enhance the image of the Organization, which might persuade Member States to change their policies towards it. A pragmatic view of the situation was required. Lastly, his delegation supported a proposal to merge the two items before the Committee, and trusted that they could soon be eliminated from its agenda.

5. Mr. HAMADZIRIPI (Zimbabwe) said that the Committee should have taken up the items before it earlier in the session so as to have enabled the Secretary-General to benefit from its deliberations. The financial outlook remained bleak. Some \$450 million in assessed contributions remained outstanding, of which \$337 million was owed by one State. The Secretary-General had made a number of assumptions in

(Mr. Hamadziripi, Zimbabwe)

assessing the situation for 1989, on the basis of which he had concluded that the Organization would manage to avoid insolvency. It was tragic that the United Nations had come to such a pass, particularly when it was not only engaged in restructuring to increase its efficiency but was making a significant contribution to the maintenance of international peace and security. At a time when the Secretary-General should be devoting all his attention to global problems, he was being unnecessarily distracted by a problem that had arisen as a result of the inaction of Member States. The United Nations, and multilateralism, should be given an opportunity to flourish. Some comfort, at least, could be derived from the fact that there had been significant efforts by a number of Member States to pay their assessed contributions in 1988.

6. It was more than obvious that only a financially sound and stable Organization could effectively discharge the many tasks it would be called upon to undertake. An Organization that was fighting for its own survival could not do much. All Member States, particularly the major contributor, should live up to their legal and financial obligations. As noted by the Secretary-General, the prompt payment by every Member State of its assessed contribution early in the year would resolve the Organization's financial difficulties and would ultimately result in the lowest cost to Member States. Members should keep in mind that the current crisis, while financial in its manifestations, was fundamentally political.

7. With regard to the proposed merger of the two items before the Committee, his delegation favoured keeping them separate given the essentially political nature of the current financial crisis, which had arisen from the unilateral decision of the major contributor to withhold part of its assessed contributions.

8. Mr. KABIR (Bangladesh) said that the Organization's financial situation remained grave. At the end of November 1988, a total of \$450 million in assessed contributions to the regular budget and a total of \$365 million for peace-keeping operations remained outstanding.

9. The United Nations represented the whole of mankind and had a unique and essential role in maintaining global peace and security, for which it needed the active support of all its Member States. In that connection Bangladesh noted with satisfaction the awarding of the Nobel Peace Prize to the United Nations peace-keeping forces and the Organization's successful initiatives in regional conflicts. It was unfortunate that just as the Organization was demonstrating its ability to promote peace and security it had to face a crippling financial crisis, which also threatened the reform process to which all Member States were committed.

10. His delegation welcomed the announced intention of the largest contributor to pay its assessment for 1989 in full and to devise a plan for the payment of its arrears. Full and timely payment of assessments, as laid down in the Charter, would provide the only viable long-term solution to the crisis. All Member States should fulfil their obligations, thus enabling the United Nations to direct its attention to peace-keeping and development.

(Mr. Kabir, Bangladesh)

11. Lastly, his delegation agreed with the Secretary-General's conclusions stated in paragraph 16 of document A/43/932 and considered them to provide a reasonable basis for a solution to the financial crisis.

AGENDA ITEM 123: UNITED NATIONS PENSION SYSTEM (continued) (A/43/846; A/C.5/43/L.5)

12. The CHAIRMAN said that he had received a communication from the Secretary-General of the World Tourism Organization indicating its intention to postpone its affiliation with the United Nations Joint Staff Pension Fund at least until 31 December 1989. Since the Committee had already adopted draft resolution A/C.5/43/L.5, which, in section II, decided to admit the World Tourism Organization with effect from 1 January 1989, it would be necessary to amend that draft resolution. Accordingly, he suggested that the Committee should amend section II, and decide to defer consideration of the admission of WTO to the forty-fourth session.

13. Mr. NASSER (Egypt) asked on what basis the original decision referred to in the draft resolution had been taken.

14. Mr. GIERI (Secretary of the United Nations Joint Staff Pension Fund) said that the World Tourism Organization had submitted an application in 1986 but it had been decided by the Board that WTO would need to amend its staff regulations to meet the requirements of article 3 of the Pension Fund Regulations. Following appropriate action by WTO, the Standing Committee had approved membership with effect from 1 January 1989. It had transpired subsequently that WTO wished to defer its application for membership in the Fund, as a result of which it might prove necessary for the Pension Board to reconsider the application. Accordingly, the Fifth Committee might wish to defer taking action on the matter.

15. Mr. VISLYKH (Union of Soviet Socialist Republics) said that, given the uncertain situation, his delegation saw no need to take any decision in respect of the World Tourism Organization. The most appropriate course of action would be to delete section II from the draft resolution.

16. The CHAIRMAN said that, if he heard no objection, he would take it that the Committee wished to delete section II of draft resolution A/C.5/43/L.5 and to renumber the remaining sections accordingly.

17. It was so decided.

18. The CHAIRMAN said that the Committee had thus concluded its consideration of the item.

The meeting rose at 1.30 p.m.