

# UN-Secretariat matters: UN-Secretariat matters - 62

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Advisory Committee on Administrative and Budgetary  
Questions

UN - Financial position of the Organization

L 179:38



## FINANCIAL POSITION OF THE ORGANIZATION

The financial position of the Organization, in terms of cash resources, is becoming critical, despite a temporary easing of the situation in the latter part of 1959 and the early months of 1960, when substantial payments relating to assessments covering supplementary appropriations for 1958 were received.

As at 30 June 1960, unpaid assessments relating to the Organization's regular budget and the United Nations Emergency Force Special Account in respect of the period prior to 1960, amounted to a total of nearly \$23 million.

The arrears relating to regular budget assessments are not the most serious. It is the amount of arrears in the payment of UNEF assessments which is causing the serious deterioration in the cash position. These unpaid assessments amounted on 30 June 1960 to some \$17.5 million in respect of assessments for the period prior to 1960, and to some \$24.3 million if account is taken of 1960 assessments as well.

Consultations have been held between the Secretary-General and the Advisory Committee concerning the existing situation and, as a result, the following comments are offered for the consideration of the Assembly.

It appears that the UNEF arrears arise from a number of reasons — including, in particular (a) the inability of some Member States to shoulder the additional financial burden, especially as apportioned on the basis of the scale of assessments applicable to the regular budget, and (b) the fact that some Member States doubt whether they are legally required to pay UNEF assessments. Obviously these points need to be further explored.

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For details of the views of Member States on the question of the manner of financing UNEF, see Official Records of the General Assembly, Fourteenth Session, Annexes, agenda item 28 (b), documents A/4176; A/4335; See also General Assembly resolution 1441 (XIV) of 5 December 1959.



## 2.

Should the General Assembly decide to continue the UNEF approximately at its present level of expenditure, as proposed by the Secretary-General (A/ ), and there is no substantial improvement in the payment of UNEF assessments, then presumably the Assembly, at its fifteenth session, will wish to give consideration to possible alternative measures for dealing with the situation in order to preserve the solvency of the Organization. Accordingly, the Advisory Committee lists, without indicating concurrence or approval at this stage, the following possible alternatives which have come to its attention:

- (a) An Assembly decision to increase the Working Capital Fund sizeably, perhaps to \$30 million in 1961;
- (b) An Assembly decision to finance UNEF, after taking account of voluntary contributions, from a section of the regular budget in order to clarify the liability of governments to pay UNEF assessments;
- (c) An Assembly decision to include annually in the regular budget, during the period UNEF continues in existence, an item of \$5 million in lieu of the \$2 million now provided in the annual resolution on unforeseen and extraordinary expenses, with a proviso that surpluses remaining under this item at the end of each year be accumulated in a reserve fund for peace and security. Cash could be borrowed from this fund to pay UNEF bills, and this would relieve some of the pressure on the Working Capital Fund;
- (d) An Assembly decision to establish a Peace and Security Fund, to be maintained at a level of \$20 to \$25 million, which might be financed partly from the regular budget and partly by voluntary contributions. The present UNEF and similar operations in the future might be financed from this fund.

The above alternatives do not of course constitute an exhaustive list of the possible measures for dealing with the situation.