



ASSEMBLY — 36TH SESSION

ADMINISTRATIVE COMMISSION

Agenda Item 51: Arrears of contributions of the former Socialist Federal Republic of Yugoslavia

**ARREARS OF CONTRIBUTIONS OF THE
FORMER SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA**

(Presented by the Council of ICAO)

EXECUTIVE SUMMARY

This paper presents an update on the arrears of contributions of the former Socialist Federal Republic of Yugoslavia and that the succession issues at the United Nations remain unresolved.

Action: The Assembly is invited to note the arrears of contributions of the former Socialist Federal Republic of Yugoslavia and that the succession issues at the United Nations remain unresolved.

<i>Strategic Objectives:</i>	This working paper relates to Supporting Implementing Strategy 1.
<i>Financial implications:</i>	Not applicable.
<i>References:</i>	Doc 9848, <i>Assembly Resolutions in Force</i> (as of 8 October 2004)

1. INTRODUCTION

1.1 The arrears of contributions of the former Socialist Federal Republic of Yugoslavia (SFRY) of U.S.\$ 510 882, relating to the years 1990 to 1992, remain outstanding pending resolution of the succession issues at the United Nations. During 1991 and 1992, the former SFRY underwent a process of dissolution and five successor States came into existence. The United Nations General Assembly has been considering whether to seek payment of the arrears from the five successor States and, if so, on what basis to apportion the arrears. This paper provides a summary of the actions to date and reports on latest developments in the United Nations on the subject.

2. SUMMARY OF POSITION

2.1 The 29th Session of the Assembly adopted Resolution A29-2, which determined that the Federal Republic of Yugoslavia could not automatically continue the membership of the former SFRY in ICAO.

2.2 The Federal Republic of Yugoslavia adhered to the convention on 14 December 2000 and became a member of ICAO on 13 January 2001, assessable from 1 February 2001. On 4 February 2003, the name of the Federal Republic of Yugoslavia was changed to Serbia and Montenegro. Further to the declaration of independence adopted by the Assembly of Montenegro on 3 June 2006, the Republic of Serbia is continuing the membership of Serbia and Montenegro in the United Nations system, including ICAO. The name “Republic of Serbia” is to be used instead of the name “Serbia and Montenegro”. On 22 June 2006, Montenegro became a member of the United Nations under the name “Republic of Montenegro”. Montenegro adhered to the *Convention on International Civil Aviation* on 12 February 2007 and became a Contracting State of ICAO on 14 March 2007.

2.3 Croatia and Slovenia joined ICAO in May 1992. In approving Croatia's and Slovenia's scales of assessment (A29-28), the 29th Session of the Assembly also approved that the 1992 assessment of the former SFRY be reduced by the assessments of Croatia and Slovenia for that year.

2.4 In accordance with the common practice in the UN system, the balance of contributions in arrears of the former SFRY for 1992 and prior years has been kept on ICAO's books.

2.5 At the 31st, 32nd 33rd and 35th Sessions, the Assembly noted that disposition of the arrears of the former SFRY was being held pending the determination of the succession issues at the United Nations.

3. LATEST DEVELOPMENTS

3.1 During its 56th Session held in 2002, the UN General Assembly requested the UN Committee on Contributions to consider the issue of the arrears of the former Yugoslavia and to report thereon to the 57th Session of the UN General Assembly.

3.2 In its report to the UN General Assembly, the Committee noted that, in accordance with the rules of general international law regarding succession of States in respect of State debts, the United Nations had the right to seek payment of all or part of the pre-dissolution arrears from the five successor States of the Socialist Federal Republic of Yugoslavia, comprising Bosnia and Herzegovina, Croatia, Slovenia, the former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia (now Serbia and Montenegro). The Committee pointed out that, according to Financial Regulation 5.6 of the United Nations, should the UN General Assembly decide to seek payment of all or part of the arrears of the former SFRY, it will be necessary to adjust the accounts to reflect the succession transfer of liabilities to successor States in accordance with the relative shares that may be agreed.

3.3 The Committee concluded that:

- a) The existence of the arrears was undisputed and there were no technical grounds for them to be written off, pending resolution of the legal and political issues involved;
- b) Should the UN General Assembly decide to seek payment of some or all of the arrears of the former SFRY, it would need to determine the date of the final dissolution of that State in order to determine the amounts of pre- and post-dissolution arrears;
- c) Should the UN General Assembly decide to seek payment of some or all of the pre-dissolution arrears of the former Yugoslavia, it could invite the five successor States to negotiate an agreement on which of them is to meet the debts arising, and in what amounts. The UN General Assembly would not need at this stage to consider the question of the relative shares of the successor States, as it would be inviting them to negotiate an agreement on the matter; and
- d) Should the UN General Assembly decide to seek payment of some or all of the post-dissolution arrears of the former Yugoslavia, the matter would need to be pursued with the Federal Republic of Yugoslavia.

3.4 In its conclusion, the Committee observed that the five successor States had signed an agreement concerning the assets and liabilities of the former SFRY, and some members felt that this could be the basis of allocation of the pre-dissolution arrears. The Committee, however, noted that the agreement had not yet entered into force and it did not refer specifically to the unpaid contributions of the former SFRY to the UN.

3.5 The Fifth Committee of the UN General Assembly considered the matter at its 57th Session, together with the report of the Committee on Contributions. It decided to consider the matter further at its 58th Session and, at that session, deferred the matter to the 59th Session, scheduled to begin in September 2004.

3.6 During its 59th Session, the General Assembly decided to defer for future consideration the question of the unpaid assessed contributions. It is currently considered to bring the matter to the 62nd Session of the General Assembly, starting in September 2007.