

STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MUHAMMAD YUSSUF,
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LEVEL OPEN-ENDED WORKING GROUP ON THE FINANCIAL SITUATION OF THE UNITED
NATIONS

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Mr. Chairman,

The G77 and China welcomes the efforts of the Co-Vice Chairmen in preparing Working Paper (WGFS/97/4) which, inter alia, addresses the core issue of the payment of all arrears, and payment of assessed contributions in full and on time and without conditions.

It is the position of the G-77 and China that WGFS/97/4 is a two part document. The draft decision in the first part represents the area of greatest convergence in the Working Group to date. It is also broadly consistent with the position maintained by the G-77 and China that the current financial situation of the UN is a crisis of payment, and is a consequence of the nonpayment of substantial arrears by some Member States, especially by some of the major contributors, as well as delayed payment of assessed contributions. The second part dealing with the methodology for the scale of assessments for the regular budget and the peace-keeping scales, lacks consensus, and also needs to be examined by other relevant bodies. The G-77 and China maintains that there is no linkage between the scale of assessments and the present financial situation of the UN.

The G-77 and China looks forward to constructive and meaningful discussions based on the draft decision contained in the first part of WGFS/97/4 with the objective of securing a sound and viable financial basis for the Organisation. The G-77 and China reiterates that viable solutions to the financial situation can emerge only when member states, especially the major contributors, (i) reiterate that they have a legal obligation to pay their contributions to the UN promptly, in full and without conditions, and pledge to pay their future contributions in accordance with Article 17 of the Charter and the Financial Rules and Regulations of the UN; and (ii) take concrete actions to clear all their arrears.

The G-77 and China believes that the proposals on incentives and disincentives contained in the draft decision (doc. WGFS/1997/4) should be carefully examined by the Working Group on priority basis, with a view to reaching a consensus at the earliest.

The Group of 77 and China, which is collectively among the largest contributors to the peace-keeping efforts of the United Nations through the provision of troops and equipment, has in effect been financing the UN outlays as an indirect consequence of delays in payments by some major contributors of their assessed contributions. Hence, the Group has its legitimate interest in trying to produce as soon as possible, urgently needed results in the ongoing discussions on the crisis of payments confronting the United Nations.

It is the opinion of this Group that in order to achieve our common objective of resolving the financial crisis, the discussion must take place in an atmosphere of solvency and that such atmosphere can only be provided by a settlement of the question of arrears.

Thank you, Mr. Chairman.