



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MAGID YOUSIF, MINISTER PLENIPOTENTIARY, REPUBLIC OF SUDAN, ON AGENDA ITEM 134: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS, AT THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 64TH SESSION OF THE GENERAL ASSEMBLY (New York, 23 October 2009)**

Mr. Chairman,

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 134, entitled "Improving the Financial Situation of the United Nations".

2. At the outset, the Group of 77 and China would like to thank Ms. Angela Kane, Under-Secretary-General for Management, for her presentation to the Fifth Committee on the financial situation of the United Nations.

Mr. Chairman,

3. The Group reaffirms that the full, timely, and non-conditional payments of assessed contributions by Member States to the budgets of the United Nations is a Charter obligation that ensures the predictability and sustainability of the financial and human resources of the Organization, as well as the effective and efficient implementation of all its mandated activities.

4. Based on the Secretariat's latest update on the financial situation of the Organisation, presented to this Committee last Friday on 16 October 2009, the Group notes, with deep regret, that the current deficit of the Organization with regard to the Regular Budget does not show any improvement. On the contrary, the situation has worsened compared to 2008. The breakdown of unpaid assessed contributions to the Regular Budget shows a high degree of concentration in one particular Member State accounting for more than 93 per cent of the total and the remaining Member States accounting for 7 per cent. This is a grim and disappointing situation that leaves the Organization with no choice but to resort to exceptional measures in order to maintain its regular business until the end of the year. In this case, any substantial improvement is acutely dependent on the actions to be taken by that one Member State.

5. The Group notes that significant levels remain outstanding for peacekeeping operations. The modest improvement in payments for peacekeeping operations, as compared to 2008, should be considered together with the fact that US\$2.121 billion remains unpaid for those operations. The Group recognizes the procedural difficulties that result in short delays in the payment of assessments to the peacekeeping budgets. That said, it is imperative for all Member States to settle unpaid assessments the soonest. The negative implications of persistent non-payment of assessments should be taken seriously by the concerned Member States.

6. The Group would like to reiterate its opposition to cross-borrowing between active peacekeeping operations, as set forth routinely in many resolutions of the General Assembly. The cash surpluses in any active peacekeeping mission should preferably be utilized for the outstanding liabilities such as troops and equipment payments or returned to individual Member States, in accordance with the relevant General Assembly resolutions.

7. In this regard, the Group notes with concern the unprecedented amount of US\$1.384 billion owed to troop-contributing countries. This is of particular concern since most troop-contributing countries are also developing countries and are not in position to sustain their troop commitments and maintain their equipments on their own for extended periods of time. The Group understands that the main reason for this situation is the delays in the payments of assessed contributions for the peacekeeping operations. We hope that payments of the outstanding bills by the major contributors, critical to the financial stability of the Organization, are made in full, on time and without conditions.

8. The Group also notes the developments with regard to the financial situation of the international tribunals. The breakdown of unpaid assessed contributions for the tribunals shows a similarly high degree of concentration in one particular Member State accounting for 65 per cent of the total and the remaining Member States accounting for 35 per cent. Also in this case, as with the Regular Budget, any substantial improvement is dependent on the actions to be taken by that one Member State.

9. The Group also notes that 119 Member States have fully paid their assessed contributions to the Capital Master Plan budget. We encourage all Member States, including the host country, to pay their assessed contributions on time and help to avoid costly delays in this important undertaking. We also urge the Secretary-General to ensure the full and effective implementation of this project as guided by relevant General Assembly resolutions.

Mr. Chairman,

10. The Group of 77 and China wishes to seek clarification from the secretariat with regard to the announced intention of payment of its arrears last August by the major contributor of the organization. While noting some efforts have been made in this regard, we indeed deduce from Under-Secretary-General Kane's presentation, that barely half of its dues were paid and wish to have a clear breakdown of the payment of the major contributor's contribution. As a matter of principle, we also would like to seize this opportunity to express our surprise at the Secretary-General's hasty press statement last August congratulating the payment of contribution of this member state, while the latter at that time had not even materialized the payment and that it is clear now that it is only and hardly half way of fulfilling its legal and financial obligations, as enshrined in the Organization's Charter.

11. In this regard, the Group recalls that it made a significant concession in the compromise solution with regard to the question of the Scale of Assessments in 2000. That compromise included accepting additional financial burdens for developing countries, in order to provide an opportunity for a fresh start that would remedy the long-standing and dismal state of affairs with respect to the financial situation of the Organization. Today, nine years after that compromise was struck, we deeply regret that the major contributor has not fulfilled its part of the arrangement, as contained in General Assembly resolution 55/5 C, and that the financial situation of the United Nations remains weak and precarious. The Group firmly reiterates that this systemic and persistent problem needs to be resolved permanently.

Mr. Chairman,

12. The Group remains committed to efforts aimed at strengthening the United Nations and enabling it to implement its mandates more effectively and to use its resources more efficiently. We are also committed to providing the Organization with sufficient resources to fulfill its mandated responsibilities, as well as with our share of the additional resources that will be needed to finance

its critical activities and reforms approved last year, in particular those for the strengthening of the Organisation's Development Pillar.

Mr. Chairman,

13. The Group of 77 and China would like to express its appreciation to all those Member States who have paid all their assessed contributions to the Organization. We hope that others can also follow their example. The members of the Group remain committed to meeting their financial obligations to the United Nations on time, in full and without conditions. The Group would also urge those Member States with unpaid assessments to settle them as soon as possible. This is especially applicable to those countries that have the capacity to settle their arrears, in order to ensure the financial stability of the United Nations.

14. The Group wishes to reaffirms that all actions should be taken in order to facilitate the payments of assessed contributions of the Member States of the United Nations. For that reason, the G-77 and China rejects all unilateral coercive measures contrary to the international law, which obstruct and sometimes impede payments from members of our Group to the budgets of the Organization.

15. At the same time we extend our sympathetic understanding to those Member States that are unable to meet their obligations due to special and genuine difficulties, such as social and economic conditions, that are beyond their control. To conclude, we once again urge all Member States, in particular the main contributors, to re-commit themselves to meeting their Charter obligations so that the Organization is able to meet its objectives and function in an efficient and effective manner.

I thank you, Mr. Chairman.