

STATEMENT BY MR. MUHAMMAD YUSSUF, FIRST COUNSELOR OF THE TANZANIAN MISSION TO THE UNITED NATIONS AND SPOKESMAN OF THE GROUP OF 77 ON FIFTH COMMITTEE MATTERS, AT THE HIGH-LEVEL OPEN-ENDED WORKING GROUP ON THE FINANCIAL SITUATION OF THE UNITED NATIONS

New York, 3 March 1997

Mr. Chairman,

The Group of 77 and China expresses its deep concern at the continuing financial crisis of the United Nations which has been exacerbated by the lack of political will and the failure of some Member States to meet their legal financial obligations to the Organization.

The Group of 77 and China reiterates its position on the financial situation of the UN as stated last year in document WG-FS/33. This position paper, which contains specific proposals to address the current A crisis of payments, is a serious and concrete effort by the Member States of the Group of 77 and China to secure a sound and viable financial basis for the Organization and to strengthen the UN's capacity to fulfil all its mandated programmes and activities.

The Group of 77 and China has consistently maintained that the current crisis of payments is the direct consequence of the nonpayment of substantial arrears and overdue contributions by some major contributors. Viable solutions to the financial situation can emerge only when Member States take concrete actions to clear their arrears and pay their future assessed contributions in full, on time and without conditions or benchmarks, in accordance with article 17 of the Charter. The Group of 77 and China firmly believes that the present financial crisis can only be resolved if the Member States show firm political will to fulfil their legal obligation under the Charter.

The Group of 77 and China has carefully examined the question of the perceived linkage between the current financial situation and the methodology of the scale of assessments, and has come to the conclusion that the crisis of payments has not been caused by the scale of assessments. Revisions to the current methodology will not solve this crisis of payment since it will neither change the aggregate level for revenues available to the Organization nor guarantee payment of assessed contributions promptly and in full in the future.

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.

Mr. Chairman,

As a result of the continuing financial crisis, these symptoms of a very deep rooted malaise have become apparent: (a) due to the problem of arrears the United Nations has to borrow money from peace-keeping budgets. This is not only an irregular practice but also troop and equipment providing countries are also not being reimbursed. This has created difficulties, especially for the developing countries; (b) the United Nations capacity to carry out its mandated activities would be adversely affected because of the crisis of payments; (c) The United Nations has resorted to a controversial practice of making use of the services of loaned personnel. This practice has affected the geographical balance and the very character of the international civil service. The Group of 77 and China further believes that the financial crisis has been aggravated by lack of requisite financial discipline, especially in the area of procurement as highlighted in the report of the Board of Auditors

Mr. Chairman,

The Group of 77 and China wishes to re-emphasize the legal obligation of all members to pay in full and on time as envisaged in the Charter, and also to reiterate the legal obligations of all Member States in arrears to pay their arrears. The Group of 77 and China wishes to express its confidence in the leadership of the new Secretary-General, especially for his vast experience and his deep understanding of the organization. The Group of 77 and China appeals to the Member States to pay their contribution in full, on time and without conditions or benchmarks, to enable the new Secretary-General to carry out his mandated tasks on a sound financial footing.

Thank you, Mr. Chairman.