

Statement by H.E. Ambassador S.R. Insanally, Permanent Representative of Guyana, Chairman of the Group of 77, in the Fifth Committee during the fifty-fourth session of the General Assembly on agenda item 122: Improving the Financial Situation of the United Nations

Madam Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 122: Improving the financial situation of the United Nations.

Before I do so however, allow me to extend to you and your Bureau our warmest congratulations and good wishes on your election to chair the Fifth Committee which, as is rightly said, lies at the heart of all our activities at the United Nations.

We would also like to thank the Secretary-General for being with us this morning as we discuss the critical financial situation which now faces the United Nations. His presence demonstrates, I believe, the importance of the issue before us as well as his personal commitment to its resolution. The Group looks forward to having him in the future on other important issues before the Committee. We also thank the Under-Secretary-General for Management for providing us with updated information to facilitate our discussion.

Madame Chairman, the Group of 77 and China has always attached the highest importance to preserving the financial integrity of the Organization. Less than two weeks ago, at their twenty-third annual meeting in New York, the Ministers of Foreign Affairs of the Group of 77 and China reiterated their deep concern at the precarious financial situation of the United Nations. On that occasion they reaffirmed the view that the primary cause of the Organisation's financial problems continues to be the failure on the part of certain Member States, in particular the major contributor, to pay their assessed contributions to the regular as well as the peacekeeping budget, in full, on time and without conditions.

All member States have the legal obligation to bear the expenses of the Organization in accordance with the relevant provisions of the Charter and to pay their assessed contributions as apportioned by the General Assembly and arrears in the manner prescribed. In reaffirming this requirement, we have however, recognized the need to extend sympathetic understanding to developing countries who are temporarily unable to meet their financial obligations as a consequence of genuine economic difficulties.

As all member states are aware, the continuing cash flow deficit in the regular budget has led to internal cross borrowing from the peacekeeping budget in order to finance regular budget expenses. This practice not surprisingly, continues to place undue financial difficulties on the developing countries which contribute troops and equipment and must then wait indefinitely for reimbursement. This is a form of subsidy to the Organization which cannot continue, if peace-keeping operations are to be placed on a reliable basis.

Madame Chairman, because of this and other difficulties which have arisen from the lack of financial liquidity for UN activities, the atmosphere of confidence and cooperation on which the organization depends for its existence, has been unfortunately clouded. In the interest of multilateralism, we must seek to remove that cloud quickly so that the United Nations may enter the twenty-first century with some assurance of full support by all its members.

In the view of the Group of 77 and China the only practical and definitive solution to this long standing problem is the prompt payment of assessed contributions and arrears by Member States, as determined by the General Assembly. We therefore urge defaulting states to take all necessary steps to honour their outstanding

obligations and thus restore the organisation's financial health.

Finally, Madame Chairman, since this issue is undoubtedly the most important item on this Committee's agenda, I venture to propose that the Bureau allocate sufficient time to allow for an ample and constructive discussion which would urgently explore the possibilities of an early solution to these financial difficulties.

Thank you, Madame Chairman.