

Statement by the delegation of Venezuela, on behalf of the Group of 77 and China, on agenda item 114: Improving the financial situation of the United Nations

New York, 25 October 2002

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 114: Improving the financial situation of the United Nations a very important and yet sensitive item. I should also express our gratitude to the Under-Secretary-General for Management, Mr. Joseph Connor, for his presentation last Monday.

Turning to the substance of the agenda item at hand, let me reaffirm, on behalf of the Group of 77 and China, the legal obligation of Member States to bear the expenses of the Organisation in accordance with the Charter of the United Nations and the requirements to pay their assessed contributions in full, on time and without conditions. We, however, recognize the need to extend sympathetic understanding to those that are temporarily unable to meet their financial obligations as a consequence of genuine economic difficulties.

The Group notes with concern that, whilst the year 2001 had raised hopes that the Organization might at last move a step forward from the bleak financial situation of the past years, the year 2002 is somewhat more circumspect. Likewise, of the critical situation of the cash flow and the short-term expectations and the decrease of the number of States Member that have paid their total contributions.

Mr. Chairman,

The Group is concerned with the unabated and recurring cash-flow problems faced by the Organization in the second half of every year mainly due to late payment of contributions by the major contributors. In order to avoid the negative cash-flows towards the end of the year, which has resulted in cross-borrowing from the peacekeeping accounts to fund the regular budget, all Member States must pay their contributions in full, on time and exert further efforts to align their payment schedule in a manner that the Organizations has financial resources available to it early on in the year. We would appreciate being informed of how the Secretariat intends to resolve the situation without cross-borrowing.

The Group also notes from the presentation that the projected debt stand at \$ 850 million dollars at the end of the year, a large portion of which is owed by the major contributor. In this regard, the Group would like to stress that all Member States that are in arrears clear them at the earliest, especially the major contributor.

Mr. Chairman,

The Group notes with concern the delays in reimbursements to developing countries that provide troops and contingent-owned equipment to various peacekeeping operations. The Group would like to request that all outstanding amounts, including those dating back to many years ago, owed to developing countries should be promptly honored. The Group is further concerned that cross-borrowing from peacekeeping funds is continuing and the amounts owed to troop-contributing developing countries are rising. The Group calls for finding a durable solution to the problems caused by the practice of cross-borrowing.

The Group of 77 and China has taken due note of the necessity of additional resources in order to comply with the legislative mandates that were mentioned by Mr. Connor in his presentation. Although this element will require a comprehensive study within the Fifth Committee, we would hereby like to point out our

commitment to thoroughly analyze each one of any additional necessities.

Mr. Chairman,

In conclusion, Mr. Chairman, I wish to reiterate the fact that the Group of 77 and China will continue to participate constructively in the collective efforts towards resolving the persistent financial difficulty of the Organization.

I thank you very much, Mr. Chairman.