



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MISHAL MOHAMMED AL-ANSARI, STATE OF QATAR, AT THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY ON AGENDA ITEM 110: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (New York, 28 October 2004)

Mr. Chairman,

I have the honor to speak on behalf of the Group 77 and China on agenda item 110: Improving the financial situation of the United Nations. Let me, first of all, take this opportunity to express our gratitude to the Under-Secretary-General for Management, Mrs. Catherine Bertini, for her presentation on 21 October 2004, which clearly outlined the financial situation of the United Nations.

The data and estimates given by the Under-Secretary-General demonstrate that the United Nations has moved towards a better financial situation, which has been translated into three major indicators: cash on hand, the levels of assessments and their payments and the amount of debt owed to Member States.

Mr. Chairman,

From the analysis of the chart regarding the financial situation of the United Nations, we note that the overall financial situation of the United Nations at 15 October 2004 showed the following conclusions:

- Firstly, the level of activities and assessments approved by the General Assembly has increased;
- Secondly, the cash-on-hand projected for 31 December 2004 has improved when compared with the previous year;
- Thirdly, the level of unpaid assessments have increased and continues to hold negative implications for the core activities of the United Nations; and
- Fourthly, although the Secretariat has revised its forecasted debt owed to Member States upwards from \$574 million to \$605 million, it is still lower than the amounts due to Member States in 2002.

Mr. Chairman,

The Group notes the modest improvements in the amounts owed to troop contributing countries during 2004, but expresses its concern at the continuing high levels of amounts payable to troop contributing countries, particularly for contingent-owned equipment reimbursement. The Group urges that all outstanding amounts, including those dating back to many years ago owed to developing countries, should be paid to them as a matter of high priority.

As for the International Tribunals, the Group regrets that they find themselves in a negative cash position of \$80 million, again maintaining the previous negative trend. In this regard, the Group notes that at 15 October 2004, as many as 113 Member States have not paid their contributions to the Tribunals in full. We are especially concerned by the indications that cash levels are slipping each year, and last week we have heard from Under-Secretary-General Mrs. Bertini that the two tribunals may have to cross-borrow from closed peacekeeping mission accounts. The Group would therefore like to urge the Member States to fulfill their financial obligations.

The Group remains convinced that the Tribunals require predictable and adequate financial resources as the recent unfortunate trend may impact negatively on the ability of the Tribunals to complete their work within the time frames approved by the Security Council.

The Group is also concerned that several ongoing peacekeeping operations have had to resort to cross-borrowing from the closed peacekeeping mission accounts due to nonpayment of assessed contributions. In some instances, troop contributing countries have not been paid their dues by the UN for long periods of time.

In light of this situation, the Group believes that this unhealthy practice should not be allowed to continue indefinitely since it has negative effects on the financial capacity of concerned countries and places undue financial stress on them.

Mr. Chairman,

Regarding the forecast for reimbursements of the debt owed to Member States, the Group welcomes the intention of the Secretariat aimed at making significant payments during the year 2004. The Group urges the Secretariat to improve the timeliness of its reimbursements of troop and contingent owned equipment claims.

We recognize the need of ensuring the financial stability of the Organization in order to function effectively and be able to fully implement all its mandates and activities.

In this vein, the Group of 77 and China reaffirm the legal obligations of Member States to bear the expenses of the organization in accordance with the Charter of the United Nations. While recognizing the need to extend sympathetic understanding to those temporarily unable to meet their financial obligations as a consequence of genuine economic difficulties, the Group urges all Member States to pay their assessed contributions in full, on time and without conditions.

Mr. Chairman,

The United Nations has twin responsibilities for Peace and Security and Development. So far, we have seen progressive importance accorded to Peace and Security resulting in substantial increase of peacekeeping budget. Development activities are of equal importance and, therefore, the Group would like to see equal, if not greater emphasis, for funding such development activities mandated by the General Assembly.

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

Thank you, Mr. Chairman.