



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MRS. AICHA AFIFI, MINISTER PLENIPOTENTIARY, PERMANENT MISSION OF MOROCCO TO THE UNITED NATIONS, ON AGENDA ITEM 123: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS, BEFORE THE FIFTH COMMITTEE OF THE 58TH SESSION OF THE GENERAL ASSEMBLY (New York, 28 October 2003)**

Mr. Chairman,

1. The Group of 77 and China would like to welcome Under-Secretary General, Ms. Catherine Bertini, to this meeting and thank her for the informative presentation she made last week on agenda item 123, "Improving the financial situation of the United Nations".

Mr. Chairman,

2. The Group believes that the successful implementation, by the Secretary-General, of the programmes and activities mandated by Member States depends, to a great extent, on the adequateness of resources made available to the Organization by the Member States.

3. In this regard, being this a budgetary year and bearing in mind that the UN is undergoing a process of substantial reforms, the Group of 77 and China deems it appropriate to stress the necessity that sufficient and adequate resources be made available to the Organization, in order to be able to implement all mandated programmes and activities.

4. The Group of 77 and China notes with concern that the cash flow situation of the Organization is still unstable. The unpaid assessments amount to \$2.38 billion of which \$693 million is due to the regular budget, \$117 million to the tribunals' budget, \$11 million to the Capital Master Plan and \$1.56 billion for peacekeeping as of 30 September 2003.

5. The Group notes with concern that the regular budget cash availability is once again becoming critical and, unless a substantial payment is received, will get worse as the end of the year approaches.

6. As remedy to this precarious situation, the Secretary-General is still forced to solve the cash flow shortage through the practice of cross-borrowing from peace-keeping funds.

7. Although such a practice allows the Secretary General to some extent alleviate the precarious cash flow situation of the regular budget, it also results in delays in the reimbursements of troop and equipments to contributor countries, most of whom are developing countries, members of this Group.

8. While noting that efforts are made by the Secretariat to remain as current as possible with reimbursements for troops and equipment, the Group of 77 and China remains concerned with the practice of cross-borrowing since it hampers the ability of the United Nations to proceed to the regular reimbursement of Member States for troops and contingent-owned equipment.

9. In this regard, the Group 77 and China expresses concern about the late and irregular reimbursement to developing countries who provide troops and equipment to the various UN

peacekeeping operations, and stresses the fact that such practice doubly penalizes developing countries who despite difficult financial situations, honor their assessed contributions to the UN. The Group is of the view that such an extraordinary practice should not continue indefinitely.

Mr. Chairman,

10. The Group of 77 and China believes that the financial situation of the UN will be improved when Member States impose no conditions to honor their legal obligation to bear the expenses of the UN in accordance with the provisions of the UN Charter. While extending sympathetic understanding to Member States who are unable to meet their financial obligations to the Organization as a consequence of genuine economic difficulties, the Group reaffirms, once again, the obligation of all Member States to pay their assessed contributions in full, on time and without conditions.

Thank you, Mr. Chairman.