



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MRS. NORMA TAYLOR ROBERTS, PERMANENT MISSION OF JAMAICA TO THE UNITED NATIONS, ON AGENDA ITEM 110: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS, IN THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY (New York, 20 May 2005)**

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 110: Improving the financial situation of the United Nations.

Let me first of all express the Group's appreciation to the Controller, Mr. Warren Sach, for his presentation on May 12, 2005 which clearly outlined the financial situation of the UN.

Indeed, his overview provided us with very useful information on the actual budgetary results for the year 2004 and projections and challenges for the Organization for the current year.

The data and estimates presented to the Committee up to 31 December 2004 have shown that there was an improvement in the cash position of the regular budget, the tribunals and peacekeeping accounts, as compared to the position at the end of 2003.

Mr. Chairman,

This situation, however, does not allow for complacency as the data has shown that the overall financial position of the Organization for 2005 is not very positive as demonstrated by the four major indicators: assessments authorized, unpaid assessments, available cash and amounts owed to Member States.

With respect to the tribunals, we have noted that outstanding assessments for 2004 were down significantly and we welcome this development, considering the continuing precarious financial position facing the tribunals. Unfortunately, however, this is not sufficient to take the tribunals out of the danger zone as they are expected to end this year with negative cash balances and it will also be necessary to cross-borrow from peacekeeping operations to provide supplementary financing. This will also be the case for the regular budget although the amount of unpaid assessments for 2004 showed a reduction over the previous year.

Mr. Chairman,

The surge in peacekeeping operations has resulted in a substantial increase in the peacekeeping budget, with the level of assessments in 2004 more than doubled to over \$5 billion. Furthermore, new and expanded peacekeeping operations have, understandably, put additional strain on Member States.

Mr. Chairman,

The Group wishes to remark also on amounts owed to troop and equipment contributors and we regret to see that the current projection for 2005 is that debt to Member States will be \$79 million higher than at the end of 2004.

The Group is aware that this constraint partly arises from delays in the signing of memoranda of understanding and looks forward to improvement in the management of this procedure. We are

also aware of the direct link between reimbursements by the Organization and the payment of assessed contributions.

In this vein, Mr. Chairman, the Group of 77 and China reaffirms 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,

In our statement in this Committee last year, the Group pointed to the fact that the United Nations has responsibilities for peace and security and for development. We have seen progressive importance accorded to peace and security as shown from the substantial increase in the overall peacekeeping budget. We reiterate that development activities mandated by the General Assembly should be adequately funded.

Mr. Chairman,

The Group of 77 and China will continue to constructively participate in the collective efforts toward resolving the persistent financial difficulties of the Organization.

I thank you.