



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY
AMBASSADOR CONROD HUNTE, DEPUTY PERMANENT REPRESENTATIVE
OF ANTIGUA AND BARBUDA TO THE UNITED NATIONS, ON AGENDA ITEM
120: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS, AT
THE FIFTH COMMITTEE DURING THE MAIN PART OF THE 63RD SESSION
OF THE GENERAL ASSEMBLY (New York, 6 November 2008)**

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on this agenda item.
2. The Group of 77 and China would like to thank the Under-Secretary-General for Management, Ms. Angela Kane, for presenting the report of the Secretary-General on the financial situation of the United Nations.

Mr. Chairman,

3. The Group would like to reaffirm that full and on-time payment of the assessed contributions to the United Nations budgets is a Charter obligation. It is imperative for the predictability of financial resources to the Organisation and to ensure effective implementation of all legislative mandates.
4. The Group of 77 and China regrets that the overall assessment presented by the Controller shows at best a grim situation with indications that the financial position of the regular budget reflecting a current deficit with projected worsening deficit in the last quarter which may result in a cash shortage by the end of the year. The Organisation would have to depend on borrowing from the reserve account as well as the closed peacekeeping mission accounts to continue its business. This is mainly due to the large outstanding payment by one Member State. The Group would like to reiterate that this systemic problem needs to be resolved permanently.
5. The Group notes that significant levels remain outstanding for peacekeeping operations with unpaid peacekeeping assessments increasing as compared to end December 2007, but notes is below the level of 31 October 2007 by 0.6 billion as at 24 October 2008. The Group understands the procedural difficulties that lead to short delays in the payment of assessments to peacekeeping budgets. However, it should be possible for all Member States to settle the unpaid assessments within a certain time period. The negative implications of persistent non-payment of assessments need to be taken seriously by the concerned Member States.
6. The Group would like to reiterate its opposition to the cross-borrowing among the peacekeeping operations. The cash surpluses in any peacekeeping mission should preferably be utilized for the outstanding liabilities such as troops and equipment payments or returned to individual Member States.
7. The Group notes the decrease in debt to Member States providing troops and equipment to peacekeeping operations. The amount owed by the Organisation is projected to be \$645 million in December 2008, compared to \$779 million at the end of last year. However, this improvement is insufficient to fundamentally improve the situation for troop contributors. This is of particular concern since most troop contributing countries are also developing countries and not in position to sustain their troops and maintain their equipments on their own for an indefinite period of time. The

Group of 77 and China understands that the principal reason for such a situation is the delays in the payments of contributions. We hope that the payment of the major contributors, critical to the financial stability of the Organization, be made in full, on-time and without condition.

8. The Group of 77 and China notes the developments with regard to the financial situation of the international tribunals. The breakdown of unpaid assessed contributions for the tribunals shows a high degree of concentration, with one Member State accounting for 85 per cent of the total and the remaining Member States accounting for 15 per cent thus any substantial improvement in the Organization position will depend, therefore, on the action to be taken by one Member State.

9. The Group also notes that 120 members have fully paid their assessed contributions to the Capital Master Plan budget. We would urge the Secretary-General to ensure the full and effective implementation of the past and future resolutions on CMP project.

Mr. Chairman,

10. The Group of 77 and China remains committed to efforts to strengthening the United Nations and enabling it to implement its mandate more effectively and using its resources more efficiently. We are also committed to providing the Organization with sufficient resources to meet the mandates bestowed upon it, as well as our share of the additional resources that will be needed to finance critical activities and reforms in 2009, in particular those for the strengthening the developing pillar of the Secretariat. This is especially applicable to those Member States who have the capacity to pay their arrears and ensure the financial stability of the United Nations.

11. The Group of 77 and China would like to express its appreciation to all those Member States who have paid all their assessed contributions to the Organisation. We hope that others would also follow their example. The Group of 77 and China remains committed to meeting our financial obligations to the United Nations on time, in full and without conditions. The Group would also urge the states with unpaid assessments on their account to settle them as soon as possible. This is especially applicable to those who have the capacity to pay. At the same time we extend our sympathetic understanding to Member States that are unable to meet their obligations due to social and economic conditions beyond their control, we urge all Member States, in particular the main contributors, to re-commit themselves to meeting their Charter obligations so that the Organisation is able to meet its objectives and operate in an efficient manner.

I thank you.