

Statement by Ambassador Bagher Asadi (Islamic Republic of Iran), Chairman of the Group of 77, on Agenda item 119: Improving the Financial Situation of the United Nations, before the Fifth Committee of the 55th session of the United Nations General Assembly

New York, 29 March 2001

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 119: Improving the financial situation of the United Nations. Let me, first of all, take this opportunity to thank Ambassador Gert Rosenthal, distinguished Chairman of the Fifth Committee, as well as the other distinguished members of the Bureau for their good work in leading the Committee this year, and certainly for accommodating the concerns regarding the scheduling of this important item in the work programme of the Committee. The procedural initiative introduced by the Chairman provides sufficient time to the Committee members to make the necessary preparations and to make interventions on an informed basis. It would be advisable, therefore, to have this procedure maintained in the future. I should also express our gratitude to the Under-Secretary-General for Management, Mr. Joseph Connor, for his presentation last Thursday.

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 1999 had raised hopes that the Organization might at last move a step forward from the bleak financial situation of the past years, the year 2000 was potentially a step backward to the past financial crisis, and that the Organization begins the year 2001 with a financial picture not different from the previous years, and in fact with collections lower than expected.

Mr. Chairman,

As we all remember it was a difficult process of negotiation on the new scales last December. It was particularly difficult for our Group. Despite these difficulties, the Group made a lot of sacrifices in the spirit of collective responsibility of all Member States to ensure the financial health of the Organization. The Group regrets that to date the Organization has not received payment expected from the major contributor. Based on the understanding that made the adoption of the new scales possible, we once again urge the major contributor to also heed its responsibility and demonstrate, through concrete action, commitment to make the necessary payment in full, on time and without any conditions.

Moreover, whilst it is normal for those countries that are facing genuine economic difficulties to be unable to meet their financial obligations to the Organization, we nevertheless urge all other Member States that are in arrears to pay in accordance with the UN Charter and the relevant General Assembly resolutions.

The assessments to the regular and peacekeeping budgets of developing countries have increased, significantly in several cases, following the adoption of the new scales in December 2000. A successful outcome has been forthcoming, which, I should underline, was due, and in no small measure, to the belief of the Group that the financial health of the organization had to be restored, even at the cost of taking up disproportionately higher financial burdens. It would, therefore, appear to be only fair and just for all countries in arrears, in particular the major contributor, to repay all their arrears as calculated by the Secretariat in full without any further delay, if the organization is to be able to function as it should be, and if

the mandates in all the spheres of activity of this organization, as approved by the General Assembly, are to be implemented in full.

The Group expresses concern at the late and irregular reimbursements to developing countries that provide troop and equipment to various peacekeeping operations. It is our strong view that this extraordinary practice cannot be allowed to continue indefinitely since it amounts to a subsidy and places undue financial stress on those developing countries.

The problems faced by countries contributing troops and equipment to peacekeeping operations continues unabatedly. The significant arrears owed by the organization to troop contributing countries appears to be either resistant to change, or is increasing. If indeed peacekeeping is one of the core activities of the organization, its membership should show its commitment by funding peacekeeping operations and effecting all reimbursements owed to troop contributing countries in a timely fashion, and against a set time schedule. Troop contributing countries can be reimbursed only if all countries pay their contributions and arrears in full, and urgently. This assumes particular importance in the context of a ballooning debt owed by the UN to troop contributing countries, often running into tens of millions of dollars – which the countries concerned themselves can little afford. We, therefore, reiterate the need for this problem to be addressed in earnest, with urgency, and of course, amicably. This will enable troop contributing countries to continue to contribute effectively to UN peacekeeping operations.

Before concluding, let me also add that we welcome the intention of the Secretary-General, as indicated in his report on improving the financial situation of the United Nations, to use the prospective payment by the major contributor for reimbursements owed to troop contributing countries.

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. We are of the view that the only viable solution is for Member States to pay their arrears and to honour faithfully and promptly their financial obligations in full, on time and without conditions.

I thank you very much, Mr. Chairman.