

**Statement by Ambassador Bagher Asadi, Chairman of the Group of 77 (Islamic Republic of Iran), on Agenda item 129: Improving the Financial Situation of the United Nations, before the Fifth Committee of the 56th Session of the General Assembly**

**New York, 17 October 2001**

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Mr. Chairman,

It is a pleasure to have the opportunity to address, on behalf of the Group of 77 and China, the Fifth Committee, on agenda item 129: Improving the financial situation of the United Nations – a very important and yet sensitive item. I should express our gratitude to the Under-Secretary-General for Management, Mr. Joseph Connor, for his informative and comprehensive briefing last Wednesday.

Let me reaffirm, on behalf of the Group, 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 States that are temporarily unable to meet their financial obligations as a consequence of genuine economic difficulties.

The Group welcomes the information in Under-Secretary-General Connor's presentation that the Secretariat expects Member States in the year 2001 to contribute more to the United Nations by way of assessed payments than in previous years and that the financial flexibility is likely to be restored. The level of resources available to the UN in previous years were not only static but also witnessed negative real growth. We have noted in Mr. Connor's statement a reference to the fact that since additional services have been requested for by Member States, additional resources shall be provided to implement those mandates. In the context of the next budget submission, the Secretariat should report to the General Assembly on the level of implementation of mandated programmes and activities.

However, it is the understanding that the information provided by the Under-Secretary-General for the US payment towards the end of the year are based on projections. The Group appreciates receiving clarification on the sources and basis of such a projection. The Group stresses, nevertheless, that these payments should be made without any conditionalities.

Mr. Chairman,

The Group is concerned with the unabated cash-flow problems faced by the Organization in the second half of every year mainly due to late payment of contributions by the major contributors. In order to avoid negative cash-flows towards the end of the year, which results in cross-borrowing from the peacekeeping budget, all Member States must pay their contributions in full and on time and exert further efforts to align their payment schedule in a manner that the Organization has financial resources available to it early on in the year. Since the cash balance is expected to be negative by \$100 million dollars by November this year, we would appreciate it to be informed of how the Secretariat intends to resolve the situation without cross-borrowing. The Group also notes from the presentation that the projected debt stands at \$1.8 billion dollars at the end of the year, almost half of which is owed by the major contributor. The Group is equally concerned on the financial situation beyond 2001. In this regard, the Group would like to stress that all Member States that are in arrears clear them at the earliest, especially the major contributor should settle "all" its arrears as they are stated in the recorded in the documents of the Secretariat without any condition.

Mr. Chairman,

The Group expresses concern at the late and irregular reimbursements to developing countries that provide troops 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.

We welcome the intention of the Secretary-General to use the prospective payment by the major contributor for reimbursements owed to troop contributing countries. In this regard, acute shortage of staff in CIMS for processing the claims on time should be rectified by immediate provision of staff, and temporary assistance if needed. Criteria should urgently be drawn up for effecting reimbursements to troop contributing countries, developing countries in particular. The Group is concerned that 'write-offs' in case of some liquidated peacekeeping missions have not yet been certified and this problem has not been highlighted to Member States. The Group would as well appreciate to be apprised of the measures that have been taken by the DPKO to solve the issue of write-offs in the liquidated missions on an urgent basis. In addition, the Claims Section should honour all its commitments made to TCCs for effecting reimbursements of write-offs in respect of liquidated missions. The Group appreciates receiving information on all pending claims that have not yet been certified.

And to conclude, let me add that the Group would like to see that the process of reimbursement will be transparent, fair, and based on objective criteria.

I also wish to reiterate that the Group of 77 and China will continue to participate in the collective efforts towards improving the financial situation of the Organization.

Mr. Chairman,

Having made this rather brief statement – perhaps quite rare for the Chair of G-77 - let me wish you and the Committee success and the Organization the best of financial situation in the future.

Thank you very much, Mr. Chairman.