

**Statement on behalf of the Group of 77 and China in the Fifth Committee on Agenda Item 129:  
Improving the Financial Situation of the United Nations**

**New York, 15 March 2002**

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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.

The Group is happy to note the improvement in the financial situation of the Organization during 2001. However, it remains concerned on the information provided to it that next year might yet be different.

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.

Mr. Chairman,

The Group is concerned with the unabated and recurring 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 the negative cash-flows towards the end of the year should be avoidable, which has resulted in cross-borrowing from the peacekeeping budget and even in the tribunals, all Member States must pay their contributions in full, 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. We would appreciate being 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 \$748 million dollars at the end of the year, a large portion of which is owed by the major contributor. 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 notes the relative improvement in reimbursements to developing countries that provide troops and equipment to various peacekeeping operations and hopes that this trend positive trends continues.

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 adequate 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.

Thank you very much, Mr. Chairman.

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