



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MISHAL MOHAMMED AL-ANSARI, STATE OF QATAR, AT THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY ON AGENDA ITEM 123: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (New York, 12 May 2004)

Mr. Chairman,

1. I have the honor to speak on behalf of the Group 77 and China on agenda item 123: Improving the financial situation of the United Nations. Let me, first of all, take this opportunity to express our gratitude to the Under-Secretary-General for Management, Mrs. Catherine Bertini, for her presentation on 4 May 2004, which clearly outlined the financial situation of the United Nations.

2. Indeed, this overview provided us with very useful information on the actual budgetary results of the year 2003 and projections and challenges for the Organization as it moved forward into the year 2004.

3. The data and estimates given by the Under-Secretary-General demonstrate that the United Nations has moved towards a better financial situation, which has been translated into three major indicators: cash on hand, the levels of assessments and their payments and the amount of debt owed to Member States.

Mr. Chairman,

4. From the analysis of the chart regarding the financial situation of the United Nations, we note with satisfaction that the overall financial situation of the United Nations at year-end 2003 showed the following conclusions:

- Firstly, at \$1.35 billion cash on hand at the end of 2003 was almost the same as the previous year;
- Secondly, although unpaid assessments amounting to \$1.6 billion are still substantial, they were lower than they have been in the previous six years;
- And thirdly, the amounts due to Member States had been reduced to almost \$439 million compared to \$703 million at the end of 2002.

Mr. Chairman,

5. The Group notes the modest reduction in the amounts owed to troop contributing countries at the end of 2003, but expresses its concern at the continuing high levels of amounts payable to troop contributing countries, particularly for contingent-owned equipment reimbursement. The Group urges that all outstanding amounts, including those dating back to many years ago owed to developing countries, should be paid to them as a matter of high priority.

6. As for the International Tribunals, the Group regrets that the year 2003 ended in a negative cash position of \$73 million, again maintaining the previous negative trend. In this regard, the Group notes that at the end of 2003, as many as 111 Member States have not paid their contributions to the Tribunals in full. We are especially concerned by the indications that cash levels are slipping each year, and last week we have heard from Under-Secretary-General Mrs. Bertini that at the end of 2004 the two tribunals may have to cross-borrow from closed peacekeeping mission accounts up to \$100 million, which is the worst in 10 years. The Group would therefore like to urge the Member States to fulfill their financial obligations.

7. The Group remains convinced that the Tribunals require predictable and adequate financial resources as the recent unfortunate trend may impact negatively on the ability of the Tribunals to complete their work within the time frames approved by the Security Council.

8. The Group is also concerned about the critical financial situation faced by two peacekeeping missions - UNMIK and MINURSO - which have had to resort to cross-borrowing from the closed peacekeeping mission accounts due to nonpayment of assessed contributions and in which troop contributing countries have not been paid their dues by the UN for long periods of time.

9. In light of this situation, the Group believes that this unhealthy practice should not be allowed to continue indefinitely since it has negative effects on the financial capacity of concerned countries and places undue financial stress on them.

Mr. Chairman,

10. Regarding the forecast for reimbursements of the debt owed to Member States, the Group welcomes the intention of the Secretariat aimed at making significant payments during the year 2004. In fact, the Group is pleased that the Secretariat expects to be able to pay \$814 million in certified troop and contingent owned equipment claims and to improve the timeliness of this process.

11. We recognize the need of ensuring the financial stability of the Organization in order to function effectively and be able to fully implement all its mandates and activities.

12. In this vein, the Group of 77 and China reaffirm 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,

13. The United Nations has twin responsibilities for Peace and Security and Development. So far, we have seen progressive importance accorded to Peace and Security resulting in substantial increase of peacekeeping budget. Development activities are of equal importance and, therefore, the Group would like to see equal, if not greater emphasis, for funding such development activities mandated by the General Assembly.

14. In conclusion, I wish to reiterate the fact that the Group of 77 and China will continue to constructively participate in the collective efforts toward resolving the persistent financial difficulties of the Organization.

Thank you, Mr. Chairman.

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