



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MRS. AICHA AFIFI, MINISTER PLENIPOTENTIARY, PERMANENT MISSION OF MOROCCO TO THE UNITED NATIONS, AT THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY, ON TROOP CONTRIBUTING COUNTRIES AND CONTINGENT OWNED EQUIPMENT (New York, 15 May 2003)

Mr. Chairman,

In continuation of the statement delivered by the Permanent Representative of Morocco on behalf of the Group of 77 and China on agenda item 114, "Improving the financial situation of the United Nations", I wish to take this opportunity to make an additional statement on the question of reimbursement for troop costs and contingent owned equipment because of the high importance that the Group attaches to this subject.

Although the general thrust of the statement relates to item 114 of our agenda, a part of this statement will reflect the position of the Group under item 126, "Administrative and budgetary aspects of financing peacekeeping operations", particularly on contingent owned equipment.

Mr. Chairman,

The Group 77 and China welcomes the fact that the financial situation of peacekeeping operations for the period 2001-2002 had improved and that unpaid assessed contributions were at the lowest level in five years. The presentation given by Under-Secretary-General for Management Mrs. Catherine Bertini shows that the year 2002 could be considered a better year. This is a positive development which we hope will continue. However, this does not seem to have translated into any significant improvement in the timeliness of payment to troop contributing countries, in particular for contingent owned equipment.

The Group notes with concern that substantial amounts of obligations to Member States for reimbursements to troop costs and contingent owned equipment continue to remain unpaid. While overall, the liabilities for troop costs were reduced in 2002 from the level in 2001, those on account of contingent owned and self sustainment have shown a marked increase. Since the core situation appears to have improved, any delay can only be ascribed to processing of claims, which needs to be speeded up.

Bearing in mind that the largest dues by the United Nations are to troop contributing developing countries, concerted effort should be made to remove impediments to the speedy processing and settlement of those dues.

Given the limited financial capacity of developing countries, an early settlement of payments for troop costs and contingent owned equipment will facilitate as well as enhance our continued participation in United Nations peacekeeping operations.

Mr. Chairman,

We noticed that the United Nations had made substantial progress in paying down troop cost. The total estimated amount owed for contingent owned equipment in all active and closed missions at 31 December 2002 amounted to a total of \$568 million. Against this amount, after review, \$142 million has been certified for payment. Liabilities for troop costs at 31 March 2003 on active missions is almost \$131.8 million, and liabilities for liquidated missions is about \$95.5 million.

The Group notes with concern that as of December 2002, 117 Member States had paid in full their contributions to the regular budget, compared to 135 in 2001, and 133 Member States had not paid their contributions on time and in full to the international tribunals. This has forced the Secretariat to practise cross-borrowing from closed peacekeeping mission accounts in order to subsidise the International Tribunal cash flow deficit.

However, the Group believes that cross-borrowing adversely affects the UN's ability to meet its dues to Member States for peacekeeping operations, and this causes particular hardship to troop contributing developing countries. It is time the Secretariat explore other more innovative ways to finance its cash flow deficits.

Mr. Chairman,

We are pleased to note that the Secretariat targets to pay some \$939 million for troop costs and certified contingent owned equipment claims. The Group reiterates that delay in troop cost reimbursements should be in future further reduced to 3 months. To this end, we stress that amounts owed to developing countries for troops and contingent owned equipment, dating back so many years ago and which have remained unpaid for a long period of time, should be settled as a matter of priority.

Mr. Chairman,

In conclusion, the Group's commitment to upholding the United Nations' role in building and maintaining international peace and security through peacekeeping missions should be reciprocated by the Secretariat through early and full settlement of debts owed to Member States for troops and contingent owned equipment.

Thank you, Mr. Chairman.

