

**Statement by Hon'ble Mr. Ram Nath Kovind, Member of Parliament and  
Member of the Indian Delegation on Improving the financial situation of  
the United Nations (Agenda Item: 123) at the Fifth Committee of the 58th  
Session of the UN General Assembly on October 28, 2003**

Mr. Chairman,

My delegation is pleased to participate in this discussion. We thank Under-Secretary-General Catharine Bertini for her incisive presentation of the financial situation of the United Nations.

2. We associate ourselves with the statement made by Morocco on behalf of the Group of 77 on the subject.

Mr Chairman,

3. The financial situation of the United Nations is a subject of critical importance to this Organisation and therefore to Member States. However, our attention to this issue has been episodic and ritualistic. For too long, we have denied it the close attention it deserves. For too long, many of us have repeatedly underscored our commitment to the Organisation and yet not lived up to our obligations. At this time last year, most of us had expressed concern that the total unpaid assessments had reached the level of 2.4 billion US dollars. A year on, nothing much has changed and the figure is 2.38 billion US dollars. Apart from the fact that this level of unpaid assessments is unconscionably high, there are several worrying trends that are revealed in the figures presented this year which have to be addressed sooner rather than later.

4. Firstly, the regular budget is facing three consecutive months of negative cash balance in October, November and December this year. There is the real prospect of negative cash flow even at the end of the year. As much as 125 million US dollars will have to be borrowed from the peace-keeping account over this period to finance regular budget activities. Only 113 Member States have paid their regular assessed contributions in full so far.

5. Unpaid assessments for the two Tribunals are at a historic high of 117 million US dollars. For most of the year, the two Tribunals have been sustained by borrowings from the peace-keeping accounts. As much as 41 million US dollars are owed by the Tribunals to closed peace-keeping missions. Another worrying feature is that Security Council members through whose decisions these mandates were set up, have themselves failed to honour their obligations.

6. The only bright spot in this rather dismal picture is that unpaid assessments for the peace-keeping budget are significantly lower than last year despite the assessment level

being higher this year. This is mostly on account of higher payments made by one major contributor whose outstanding contribution has come down from 866 million US dollars last year to about 480 million US dollars this year. This is a welcome trend. It is revealing, however, that the outstanding assessed contributions from other Member States are as much as 827 million US dollars. Consequently, while there has been some improvement in the situation regarding dues to Member States, it is clear that much more can be achieved if all countries fulfil their payment obligations on time.

7. We welcome the reduction in average COE debt from one year in 2002 to nine months this year. Also welcome is the reduction in troop reimbursement debt in some missions from six months to three months. However this position is not uniform across missions and cash shortages exist in several peacekeeping missions. This will certainly impair the Organisation's ability to reimburse troop contributing countries participating in these missions.

8. Cash in closed peace-keeping accounts amount to 240 million US dollars. Liabilities from these accounts are 114 million US dollars. We have been informed that as much as 187 million US dollars has been borrowed from these accounts during the year, leading to the inescapable conclusion that cross-borrowing is affecting the payment of dues to Member States.

9. We are further informed that cash available in closed peacekeeping missions will reduce to 42 million US dollars next year. Quite apart from our consistent view that cross-borrowing is itself an undesirable practice, and given the extensive cross-borrowing resorted to both for the regular budget and the tribunals this year, we are left wondering how the Organisation will be able to carry on its work both with regard to the regular budget and the tribunals with the present rate of outstanding assessed contributions given that there will be hardly any cash left to cross borrow from the closed peace-keeping accounts.

10. There are some Member States that are temporarily unable to meet their obligations to the UN on account of genuine economic difficulties. They deserve sympathy and accommodation through the established procedures. The problems that the Organisation faces are not on account of such situations but on account of the fact that a very large number of member States do not take their obligations to meet the financial needs of the Organisation seriously.

11. It is an unfortunate fact that most of the amount owed by the United Nations is owed to developing countries. Many of them pay their assessed contributions to the UN on time. However, they are penalised when it comes to receiving payment for troops and COE to peace-keeping missions because of non-payment of assessed contributions by other Member States, thus imposing an unfair economic burden on them. The irony or injustice of the situation is obvious. Clearly, the United Nations cannot continue to penalise countries which have not only shown consistent commitment to peace-keeping in terms of providing troops and equipment, but have also been paying their assessments to the Organisation in full and on time.

12. The situation as outlined above deserves our serious attention. It seems strange that on a subject of such import, Member States merely devote a single session, making only formal statements. As a starting point, we think it is important that the Secretary General be requested to present an annual report on the trends of outstanding assessed contributions for formal and informal discussion by Member States. The Report should also provide an analysis of the impact of outstanding assessed contributions on the work of the Organisation including its impact on payment of dues to Member States on time. My delegation intends to pursue this issue during the current session of the General Assembly.

Thank you, Mr Chairman.

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