

**STATEMENT BY MR. JAGMEET SINGH BRAR, MEMBER OF PARLIAMENT  
ON IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS  
(AGENDA ITEM 114) AT FIFTH COMMITTEE OF UNGA ON OCTOBER 25,  
2002**

Mr. Chairman,

At the outset we wish to compliment Under Secretary General Joseph E. Connor for his characteristically clear and succinct presentation of the financial situation of the United Nations. My delegation associates itself with the statement made by the delegation of Venezuela on behalf of the Group of 77 on the subject.

Mr Chairman,

We began this year with the impression that the financial health of the United Nations had finally taken a turn for the better. It is, therefore, with some disappointment and concern that we have looked at the year-end financial projections. On the one hand, total unpaid assessments have reached an astounding level of 2.4 billion US dollars and on the other, new assessments of the order of over 300 million US dollars or nearly 12 percent of the approved budget would be required due to unanticipated factors.

The problems that some member States have in meeting their obligations to the Organisation are understandable and are not the cause of the situation the UN faces today. This situation has been brought about largely due to the fact that a very large number of member States

have not demonstrated their commitment to service dues on time. We note with concern that only 105 member States have met their current obligations as opposed to 122 member states last year. While we are heartened by the Secretariat's expectation that the arrears owed to the regular budget will come down to 298 million US dollars by the end of the year from the current level of 576 million US dollars, the situation with regard to unpaid assessments relating to the peace keeping budget is most unsatisfactory.

We note with concern that dues owed to the United Nations for peacekeeping operations account for 1.766 billion US dollars or 74% of all unpaid assessments. As much as 1.4 billion US dollars or nearly 80 percent of this is owed by twelve major contributors. It is also unfortunate that the largest amounts owed by the United Nations to member States are to developing countries. What is of even greater concern to major troop contributing countries such as India is that there has been a steep rise in overdue troop reimbursements owed to member States. Troop reimbursements are on an average of six months in arrears. We are further informed that additional payments during the year will only be made if contributions are

received. This is imposing an unfair economic burden on developing countries. 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.

A further cause for worry is that the cash situation with regard to the regular budget is at a critical level. Cross borrowing from the peace keeping budget to finance the regular budget has been a regular feature this year as well. One can safely surmise that such cross borrowing will only increase over the next few months of this year and the beginning of 2003. While it would appear that cash on hand for peace keeping operations is high, this is deceptive since only about half of these balances are actually available for current missions, the rest being committed either to closed missions or are available only for new or expanded missions. Cross borrowing from the peace keeping budget to finance the regular budget will further adversely affect the ability of the Organisation to meet its dues to member States for peace

keeping operations. We have been cautioning against the practice of cross-borrowing in the past and would like to reiterate our disquiet at the continuance of this practice.

Mr. Chairman,

Where do we go from here? First and foremost, we find it necessary to reiterate that it is essential for member States to pay their assessments in full and on time. Concrete proposals on how to minimise cross borrowing should be presented by the Secretariat with the eventual objective of eliminating them altogether. With regard to the unexpectedly large increase in the budget for the current year, we have pointed out in the past and would like to do so again, that the incompatibility between approved mandates and resources available for their implementation should be considered for immediate corrective action by the collective membership of the Organisation. In this light, we look forward to discussing the Secretary General's reform proposals, which were unveiled recently.

Thank you Mr Chairman.