

*Agenda Item 119: Improving the Financial Situation of the United Nations*

*Statement by Hon'ble Mr. Vaiko, MP on October 17, 2000*

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Mr. Chairman,

We wish to extend our thanks to Under Secretary General Joseph Connor for presenting an update on the Financial Situation of the United Nations. My delegation associates itself with the statement made by the delegation of Nigeria on behalf of the Group of 77.

Discussions on this crucial question come at a time when, Mr. Chairman, as per information available, the total arrears due to this organization are of the order of US \$ 2.1 billion, more than half of this being peacekeeping arrears owed to the organization. If this figure were to be considered along side the fact that more than 19 countries, including India, are each owed amounts greater than US \$ 20 million, the seriousness of the situation becomes clear. If troop contributing countries (TCCs) have not been reimbursed costs incurred by them towards troop and equipment costs more than five years ago, as is the case with UNOSOM (Somalia) and UNTAC (Cambodia), it would be next to impossible for national parliaments, where they exist, in the TCCs, to express their support on a continuing basis to UN peacekeeping. When we say this, we are mindful of the fact that the cash situation in Sierra Leone is such that terming it precarious is an understatement. These are also times when the peacekeeping reserve fund has to be tapped to be able to finance troop costs! The need for rectifying this anomalous situation of financial insolvency is, therefore, an urgent one if the perceived need of the hour is effective implementation of the mandates for peace and security.

The Secretary General's ambitious proposals for restructuring the Secretariat through a new human resource management strategy, for implementing the Brahimi Panel recommendations, the Capital Master Plan and a new IT strategy are all basically proposals that are forward looking. All these would warrant a serious consideration by the membership of this organization. However, we cannot, at least for now, comprehend as to how implementation of these proposals, if approved by the General Assembly, would be possible given the current financial crisis in the organization, with a budget frozen in time and the additional demands placed on it, and amounts owed in arrears nearly equal to the size of the regular budget for the present biennium. When we spoke on the Report of the Secretary General on the Work of the Organisation, we said that references in the SG's Report to the incompatibility between approved mandates and resources available for their implementation should be considered for immediate corrective action by the collective membership of this organization. If the unpaid assessments remain at the current levels, it is not very difficult to forecast the outcome of implementation of approved mandates.

As we have said in the past, the problems which some member States have in meeting their obligations to the organization are understandable and, in turn, they are not the cause of the crisis the UN today faces. The continuing financial crisis of the organization is not one that has emerged, or one that has been caused as a result of inherent defects in the scale

methodology. It is due to member States not demonstrating the commitment to service their arrears against a specified time schedule.

During the recent deliberations in the Fifth Committee on the two scales, officials from the Statistics Division admitted in this Committee that, inter alia, inadequacy of resources has adversely impacted on its ability to service the requirements, in full, of the member-States. The Committee, therefore, will have to make do with whatever inputs are available before it and pressures will continue to be brought to bear on those delegations requesting more information from the Secretariat. The situation is not different in the other Committees of the organization where developed countries insist on the inclusion of the phrase "within existing resources" when it comes to drafting language for paragraphs pertaining to financing various important mandates in the economic and social sectors. This is a pity.

Mr. Chairman,

My delegation is of the conviction that if all member States were to work collectively towards the comprehensive reform of the UN in all its aspects, including the financial, it would be certainly possible to ensure that the United Nations is of continued relevance to its membership and that it is responsive to the needs of the new century and the millennium. Any solution that we may consensually accept requires that all members jointly pledge to henceforth pay their assessed contributions, and arrears, in full and without conditions against a specified schedule. Reforms in the organization would be possible only if all of us are willing to abide by our commitments, and display our unflinching and unconditional support to this organization, and its Charter, inter-alia, through effecting payment of assessed contributions, and arrears, in full and on time.