

## *Agenda Item 122: Improving the Financial Situation of the United Nations*

*Statement by Mr. Kamallesh Sharma, PR on March 23, 2000*

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Madam Chairman,

We thank Under Secretary General Joseph Connor for briefing us on the UN's financial situation, though predicament would have been a better word. We associate ourselves with the statement made by Nigeria for the Group of 77, and by South Africa for the Non-Aligned Movement.

The UN has started this millennium as it ended the last – in a financial crisis. But this is not because it has been profligate. In fact, over the last twenty years, programmes of the regular budget, and the staff who ran them, have both been pruned, sometimes drastically. In 1980, when this process started, and the Secretary General of the day presented to this Committee the first try at a zero-growth budget, explaining that he was sorry that, despite everything he had tried, it still showed a growth of 0.7%, we said here that he seemed to have taken 0.7 rather than 007 as a licence to kill. But the cuts have become much more savage since then: in real terms, the last six budgets have gone from marginal to zero to negative growth. The final appropriation in 1994-95 was higher than the initial appropriation for the current budget. And all this has taken place when the largest economies have gone through a cycle of sustained growth; as a percentage of the GDPs of the rich, contributions to the UN have become an even smaller fleabite.

We wonder why it is only the UN that finds these problems created for it. We have not seen comparable criticisms of the levels of spending in the Secretariats that run the organizations to which the major contributors belong – the OSCE, the OECD, NATO and the European Commission. It is unlikely that any of them have had to go through the financial turmoil of the UN, or had to do as much with as little.

There are, in the UN, 1349 fewer posts now than five years ago. This, the critics will say, only shows how much fat there was to shed. But these same critics still press that the DPKO, for instance, be allowed to recruit gratis personnel once again, because it is so stretched. Which means that they agree that the DPKO is short-handed, but cannot say so in this Committee, because then the regular budget would have to grow to fund the posts which are needed. And what is true of the DPKO is true of many other departments with a lower profile and weaker patronage.

For years we were told that the UN's financial situation would improve only if it cut costs. In an organization where so high a proportion of the budget is spent on staff salaries, it is almost impossible to economise unless you either lop off staff, which the UN has done, or cut their salaries. I hope that this will not be the next demand we hear. Already, the Noblemaire principle is a fiction; no one believes that the UN offers terms to its staff better than that of the highest paid civil service, though that was what we collectively agreed it should do to meet two essential objectives – to get the highest quality of civil servants for the UN, and to ensure that they were not influenced by any financial considerations while they served it. The worsening financial situation of the UN, and the jettisoning of the Noblemaire principle, are one of the principal reasons for concern about the politicization of the character and the work of the Secretariat; this is not an issue we discuss often or openly enough, though in the long term, this will create at least as many difficulties for the UN as the fear of bankruptcy does now. No one will let the UN go under, but a UN in permanent financial distress and staffed with complaisant or financially pressured civil servants is an equal danger to the organisation.

Now, of course, we are told that the immediate problem for the UN, the withholdings of payments, will continue unless the ceiling for assessed contributions is lowered. On this, we need to clear. What is sacrosanct is not the ceiling, but the Charter. Negotiating a lower scale, or a lower ceiling, openly and intergovernmentally, is a right open to all of us; only a unilateral decision is excluded. It has been argued that in all countries the rich try hard to reduce the tax they pay. True, but a man who refused to pay his taxes because he thought they were too high would rapidly find himself enjoying his government's uncomprehending and adverse attention.

We believe that the capacity to pay should continue to be the basis on which the scale should be drawn up, but, as events have shown, the capacity to pay a lot also means the capacity to play havoc. Perhaps the time has come to see if, while respecting the capacity to pay, we should not also make the upper reaches of the scale more democratic. One of the reasons that organizations like the OSCE do not have the financial problems of the UN is that the scale is flatter –withholding of payments by one or two members cannot cause the disturbance it does here.

Therefore, if we collectively agree here to ask the Committee on Contributions to consider various parameters for a scale, we should ask them to look at a ceiling much lower than the present one. Reducing it from 25% to 22% would simply mean that, instead of one country, there would be two preponderant contributors. This would hardly improve matters. We should look at a scale in which a fair number of countries would contribute at or very near the ceiling. That would not only be more equitable, but would reduce the budgetary vulnerability of the UN.

May I also make just a point or two about the peacekeeping budget, which has again started to rise. We are among those who continue to be owed significant sums towards troop and COE reimbursements. Nevertheless, we have continued to support the UN, and are presently the largest troop contributor. While we have waited for a very long time for payments, as other developing countries have, there must be a deadline by when we can expect the United Nations to make these payments in full. As we know only too well, legislatures can be difficult; parliamentarians, including in India, ask why the UN is remiss in making payments, and how long this will continue. If it does continue, legislative and parliamentary support for peacekeeping operations will decline in democracies; the UN might therefore have to turn only to countries free of democratic processes or parliamentary questioning; this is a questionable ethos to induct into UN peacekeeping.

We do not need to force the UN down these difficult paths. We still believe that if all member States work together to reform the UN in all its aspects, including the financial, we can bring about change that would make it an organization relevant to its membership and responsive to their needs. A good first step would be if all members pledge to pay their assessed contributions, and arrears, in full without conditions against a specified schedule.