



STATEMENT BY MR. RAJEEV SHUKLA, MEMBER OF PARLIAMENT AND MEMBER
OF THE INDIAN DELEGATION, ON AGENDA IT EM 120 – FINANCIAL SITUATION
OF THE UNITED NATIONS AT THE FIFTH COMMITTEE OF THE UNITED
NATIONS GENERAL ASSEMBLY ON NOVEMBER 06, 2008



Mr. Chairman,

We thank the Under Secretary-General for the Department of Management for her statement on the financial situation of the United Nations. My delegation aligns itself with the Statement made by Antigua and Barbuda on behalf of Group of 77.

Mr. Chairman,

My delegation has consistently maintained that payment of assessed contributions by Member States, in full, on time, and without conditions, is not just a charter obligation but also a moral one. We also believe that sympathetic consideration should be given to those Member States that are unable to pay their assessed contributions due to circumstances beyond their control. While expecting clear and across the board accountability from the UN Secretariat for efficient and effective delivery of mandates given to it by Member States, we

have to ensure the provision of timely and adequate resources for the Secretariat, so as to facilitate the full implementation of the mandated tasks. Towards the achievement of this goal, it is imperative that Member States fully pay their assessed contributions in a timely manner.

Mr. Chairman,

On the regular budget, we welcome the decrease in unpaid assessments from \$ 836 million in October 2007 to \$ 756 million in October 2008. Nevertheless, the outstanding balance still amounts to a considerable 40% of the total assessments, a significant amount which could affect the Secretariat's mandates delivery capacity. Notably, 94% of the unpaid assessment is concentrated in one Member State.

At the same time, we are concerned that the cash position of the regular budget is in a deficit of \$ 66 million due to higher expenditure on Special Political Missions and a general weakening of the dollar as compared to the budgeted exchange rates. While we could blame the deficit partially on the weakening dollar; nonetheless, it is also a manifestation of poor budgetary practices, exacerbated by non-payment of assessed contributions. We hope that this unhappy situation would be addressed urgently by all sides concerned.

Mr. Chairman,

As a major troop contributing country, which also has significant contingent-owned equipment deployed with UN peacekeeping operations, we are particularly troubled by the amount of \$ 2.9 billion outstanding assessed contributions for peacekeeping operations. We acknowledge that the unpaid assessments are partly due to the peacekeeping financial cycle. However the major portion is due to non-payment by Member States. As in the regular budget, the unpaid assessments for peacekeeping operations are highly concentrated, with 62% owed by just two member states.

Mr. Chairman,

The delay in receipt of contributions from Member States adversely impacts the Secretariat's capacity to make quarterly payments to troop and equipment contributors of peacekeeping operations. India's contribution of troops and contingent-owned equipment to UN peacekeeping operations is not a commercial enterprise; it is a manifestation of India's commitment to the principles and purposes of the UN Charter. However, once a written MOU has been signed with the United Nations regarding the terms and conditions of our participation in peacekeeping operations, we are justified in expecting that all sides to the understanding fulfill their obligations. Delayed payments, sometimes

non-payment as in a few closed peacekeeping missions, of troop costs and contingent-owned equipment reimbursements, reflects poorly on the United Nations. It also makes it difficult for the troop contributing countries to explain to national legislatures, why such debt is owed by the United Nations to Member States for their troops and equipment contributions. This situation must be rectified otherwise it could have a negative impact on Member States' commitment towards future peacekeeping operations.

Mr. Chairman,

We are happy to note that the Organization's debt to Member States at the end of 2008 is projected to be around \$ 645 million, which is lower than the \$ 779 million in December 2008 but still considerable by any standard. Despite the decrease, an indebted United Nations should not be expected to evoke confidence from the peoples it aspires to serve. It is, therefore, essential that Member States assist the Organization in achieving zero indebtedness, as an integral part of our common quest for prudent budgetary and financial management. This would be done by fully meeting financial obligations in a timely manner.

Mr. Chairman,

Last week, the Under Secretary-General for Management in her remarks had concluded that the position of the regular budget was uncertain given the current and projected cash situation, and the final outcome would depend on the action taken in the next few months by a few Member States. Similar, action would be required for unpaid assessments of peacekeeping operations in order to reduce the organization's indebtedness to Member States. We urge all Member States, especially those with the requisite means, to take expeditious action to meet their financial obligations, so that the United Nations can return to a healthy and sound financial situation and does not have to draw unsavory comparisons with the collapsing giants of the global financial markets, which we have witnessed in the recent months. The financial well being of the Organization is in our common interest

Thank you!

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