



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MR. ABDELHAKIM MIHOUBI, COUNSELLOR, PERMANENT MISSION OF
ALGERIA TO THE UNITED NATIONS, ON AGENDA ITEM 132: IMPROVING
THE FINANCIAL SITUATION OF THE UNITED NATIONS, AT THE FIFTH
COMMITTEE DURING THE MAIN PART OF SIXTY-SEVENTH SESSION OF THE
UNITED NATIONS GENERAL ASSEMBLY
New York, 18 October 2012**

Mr. Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 132, on improving the financial situation of the United Nations.
2. First, I would like to thank Mr. Yukio Takasu, Under-Secretary-General for Management, for his presentation last week on the financial situation of the Organization. The Group would also like to take this opportunity to express its gratitude to the assistance received to date from the Office of Contributions, regarding the updated information of the assessments for Member States.
3. The Group notes that the financial situation of the United Nations shows certain changes in some areas, considering the global financial climate. Indeed, there are some positives signals such as the reduced level of outstanding contributions to the regular budget and the budgets of the peacekeeping operations compared to similar cut-off date in 2011.
4. The Group also notes positives changes regarding the outstanding payments to Member States that provide troops, police and equipment to peacekeeping operations. In this regard, the Group of 77 and China will follow with attention the reduction of this debt as it was promised by the Under-Secretary-General for Management in his last statement, in accordance with the Group's position that more should be done to ensure that Member States are fully reimbursed in full, on time and as a matter of priority.
5. This is of particular concern since most troop-contributing countries are also developing countries and are not in position to sustain their troop commitments and maintain their equipment on their own for extended periods of time. Let us be mindful of the many sacrifices being asked of these committed men and women in the field, many of whom are nationals from members of the Group. Regarding peacekeeping operations with cash deficit, we reiterate the request to those countries that have not paid their assessments in full and on time, to do it as soon as possible.

Mr. Chairman,

6. The Group restates the importance that all Member States live up to their financial commitments so to enhance the effectiveness and efficiency of the United Nations.
7. The Group has constantly indicated that the full, timely and non-conditional payment of assessed contributions by Member States to the various budgets of the Organization is a

Charter obligation, and it remains our strong position that all Member States, especially those that have the capacity to settle their arrears, should honour their financial commitments in a timely fashion. For that reason, the Group of 77 and China also rejects all unilateral coercive measures contrary to the international law, which obstruct and sometimes impede payments from members of our Group to the budgets of the Organization.

Mr. Chairman,

8. The Group of 77 and China is pleased to see that the contributions for the Capital Master Plan budget are almost completed. This is a demonstration of the Member States' commitment to the decisions taken by the General Assembly in this regard.

9. However, the Group of 77 and China is concerned about the current phase of completion of the project and the possible impact on the assessments of Member States. We are also paying attention to the current proposals made by the Secretariat that seem to suggest an approach to de-scope the Plan, while not solving the cost overruns of CMP.

10. The Group will follow closely the matter when it is taken up under the relevant agenda item of the Fifth Committee's programme of work.

Mr. Chairman,

11. The Group of 77 and China is concerned by some interpretations of operative paragraph 27 of General Assembly resolution 66/246 that have been expressed in this conference room in prior meetings.

12. The aforementioned paragraph cannot be interpreted as a decision to not carry out post-related recosting for inflation and exchange rate projections. That was not the agreement reached at the adoption of the current programme budget for the biennium 2012-2013. Nor was there an agreement that the recosting would be absorbed: the agreement was, as paragraph 27 clearly states, simply to defer the process.

13. We expect the Secretariat to fully comply with the resolution 66/246. The Group will not and cannot accept further arbitrary cuts to an already reduced budget.

14. We look forward to the discussions of the first performance report on the programme budget for the biennium 2012-2013.

Mr. Chairman,

15. The Group of 77 and China firmly supports the efforts to strengthen the ability of the United Nations to fully implement its mandates. To this end, we would urge all Member States to meet their financial obligations to the Organization in full, on time, and without any precondition.

Thank you.