

**Remarks given by H.E. Mr. Paul Heinbecker, Ambassador and Permanent Representative
of Canada before the Fifth Committee on the Financial Situation of the UN
Friday, October 25, 2002**

Mr. Chairman,

J'ai l'honneur de prendre la parole au nom de l'Australie, de la Nouvelle-Zélande et du Canada.

Je voudrais commencer par remercier le Secrétaire général adjoint à la gestion, M. Connor, pour les informations qu'il nous a communiquées lundi dernier sur la situation financière de l'Organisation des Nations Unies.

Comme toujours, sa présentation claire et détaillée nous sera très utile lorsque nous examinerons la santé financière de l'ONU.

Nous accueillons avec satisfaction le tableau dressé par M. Connor sur les améliorations apportées à la gestion au cours des six derniers mois et sur les défis à relever au cours des mois à venir.

L'élaboration du plan-cadre d'équipement, l'introduction de mesures de sécurité renforcées et les progrès accomplis en termes de mise en oeuvre de la réforme sur la gestion des ressources humaines sont autant de succès notables.

Ces progrès sont de bon augure pour les défis à relever au cours des prochains mois. The development of the Capital Master Plan, the introduction of enhanced security measures, and progress made in the implementation of human resources management reform are all significant achievements.

The progress made augurs well for the challenges of the months ahead.

While drawing attention to the work of the Secretariat, Mr. Connor's statement clearly reminds Member States of their critical responsibilities with respect to finance.

Quite simply, looking at the various UN accounts -- regular budget, tribunals, peacekeeping -- members are not paying their assessments in full or on time, or in too many cases, without condition.

The honour roll of members with all assessments paid in full is depressingly short -- only nine.

This list includes both developed and developing countries.

The issue therefore is less about resources than will.

I would also note that together these nine countries account for less than 6 percent of the budget.

Consequently, it is easy to understand the difficult financial situation the UN finds itself in.

With respect to the regular budget, the trend toward delinquency noted last year has worsened.

Three countries may account for 90 per cent of the regular budget amounts outstanding, but all 84 who are late in discharging their obligations bear responsibility for the cash crunch on the regular budget.

Twelve countries represent about 80 per cent of the \$1.77 billion in unpaid peacekeeping assessments.

In addition to being bad policy inconsistent with Charter obligations, these delays have a negative financial impact on other members.

The implications are particularly harsh for troop contributors.

Many troop contributing countries are developing countries that have largely met their assessed contributions and will now see delays in reimbursement.

Our delegations are concerned that the good progress made by the Secretariat in recent months to clear the backlog of reimbursements to Member States will largely unravel.

We strongly urge all Member States to pay their contributions in full, on time and without conditions.

Not doing so causes significant cash flow problems for the Organization.

While borrowing from other accounts has enabled the Organization to continue to operate financially, this is not good fiscal practice.

And, as Mr. Connor rightly points out, these avenues will be less readily available in the future.

We are hopeful that over the next six months the Organization's financial situation will improve as Member States fulfil their responsibilities.

We welcome the steps being taken by the United States to reduce its arrears, and to lift the cap on peacekeeping assessments.

We are encouraged that the United States is considering making regular budget payments at the beginning of the year rather than the end.

We hope that other member states, particularly major contributors, who pay late and have arrears will also take steps to address these issues.

These measures can help place the UN on a more stable and secure financial footing, which is essential to the effective and efficient performance of its mandated tasks.

Mr. Chairman,

Mr. Connor mentioned budget capacity as a criterion for assessing the financial health of the United Nations.

While there will be other opportunities to discuss budgetary matters in detail, I would simply emphasize that, just as Canada,

Australia and New Zealand are determined to meet their financial commitment to the United Nations, we are equally committed to budgetary discipline.

This requires the Secretariat to focus on priorities and to translate mandated priorities into tangible results as efficiently and cost-effectively as possible.

Mr. Connor and his team play an important part in this process.

Thank you, Mr. Chairman.