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Fifth Committee
Thursday 16 May 2013

Item 132: Improving the financial situation of the United Nations

Statement by Mr Emil Stojanovski, First Secretary, Permanent Mission of Australia to the United Nations on behalf of Canada, Australia and New Zealand (CANZ)

(Check against delivery)

Mr Chairman

I have the honour to speak today on behalf of Canada, Australia and New Zealand. We would like to thank Under Secretary-General Takasu for his presentation on 11 October 2012 on the financial situation of the United Nations, as well as for the update provided to us last week on 10 May.

CANZ delegations welcome Mr Takasu's assessment that, overall, financial indicators for 2012 and until 30 April 2013 were generally positive. It was especially pleasing to see that, as at the end of 2012, compared with the position a year earlier, outstanding assessed contributions had decreased across all budget categories except for the international tribunals.

We must, however, continue to stress the consequences of unpaid assessments. Not only is it unfair on those Member States which have paid their assessed contributions in full and on time, they also leave troop, police and equipment-contributing countries waiting for the reimbursement of the costs they have incurred.

At the end of 2012, \$525 million was still owed to Member States for peacekeeping activities. While this represents a modest decrease compared with the position at the start of 2012, it is still too high — and the Secretariat's own projections of approximately \$496 million that will be owed to Member States at the end of this year shows how difficult it is for the Organization to meet its obligations to Member States in full. As has been pointed out on many occasions, the level of payments made to Member States for troops and formed police units, contingent-owned equipment claims, letters of assist and death and disability claims will always depend on Member States meeting their obligations to the United Nations in full and on time.

Mr Chairman

Unpaid assessed contributions also have a significant adverse impact on the cash flow of the Organization. As at 30 April 2013, \$1.4 billion of regular budget contributions remained outstanding. We all know that the regular budget faced substantial pressure at the end of last year. As a result of cash shortages, the Working Capital Fund was used extensively between October 2012 and January 2013, with borrowing peaking at \$149.54 million in November 2012, which almost depleted the established amount. The Organization also borrowed from the Special Account in November and December 2012. While the Working Capital Fund was established to provide advances necessary to fund budgetary appropriations pending the receipt of contributions, this liquidity mechanism can only function properly if those contributions are paid on time and in full.

The extent of the Organization's borrowings from the Working Capital Fund and the Special Account towards the end of 2012 raises concerns over the liquidity available for regular budget operations during peak periods, and highlights the urgent need for Member States to fulfil their obligations, and for all of us to remain vigilant of the Organization's financial situation. As Mr Takasu pointed out last week, the regular budget situation will be tighter towards the end of this year, and if the trend of the previous year continues, the budget's cash position will be facing significant stress.

CANZ delegations will continue to demonstrate our commitment to the work of the United Nations by paying our dues in full, on time and without condition. We urge all Member States to similarly fulfil their Charter obligations. The

Organization already has a mechanism to assist Member States addressing their fiscal arrears, and we encourage all eligible Member States to make use of this mechanism by submitting multi-year payment plans.

Mr Chairman

CANZ is firmly of the view that improving the financial situation of the United Nations is not simply a matter of providing the Organisation with all the resources it requires. It also requires us, collectively, to ensure those resources are managed effectively. As the Controller has said to us on numerous occasions, doing more with less is not just a policy suited for times of fiscal austerity; it is a reality that all governments and inter-governmental entities must live with for the foreseeable future.

In this regard, we welcome the Secretary-General's recent efforts to achieve the greatest value from limited resources through a rigorous focus on delivering results. We appreciate his recognition in his statement to the General Assembly on 22 January this year that this was no time for business as usual. As all Member States are doing domestically, so must the United Nations review its practices, seek efficiencies, prioritise its activities and streamline its procedures. Only then can the Organization hope to respond properly to the ever-increasing range of global peace, security and development challenges and to deliver the mandates entrusted by Member States at a time when our collective resources are decreasing.

Thank you Mr Chairman.