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Improving the financial situation of the United Nations

Letter dated 16 November 1998 from the Permanent Representative of Austria to the United Nations addressed to the Secretary-General

I have the honour to transmit to you herewith the statement on the financial situation of the United Nations issued on 16 November 1998 by the Presidency of the European Union (see annex).

I should be grateful if you would have this letter and its annex distributed as a document of the General Assembly.

(Signed) Ernst **Sucharipa**
Permanent Representative

Annex

[Original: English]

Statement on the financial situation of the United Nations issued on 16 November 1998 by the Presidency of the European Union

On behalf of the European Union, I would like to reiterate to you our great concern relating to the financial situation of the United Nations. We recognize and fully support the endeavours you undertake as Secretary-General of the United Nations to secure payment in full and on time from all Member States, in particular the major contributors to the United Nations.

As you are aware, the Union is firmly committed to finding lasting solutions to the United Nations financial crisis. In the view of the European Union, putting the United Nations on a sound and viable financial basis is an integral part of the overall reform effort to strengthen and modernize the Organization. Continuing high levels of unpaid assessments are undermining the financial stability and liquidity of the United Nations. This places a heavy and unfair burden upon troop-contributing countries and upon those countries that pay their contributions in full. The member States of the European Union have consistently honoured their financial obligations towards the United Nations. If the United Nations is to have a sound financial basis, all Member States must honour their Charter obligations in full, promptly and without conditions, as the member States of the European Union do.

The member States of the European Union consider the present situation extremely unsatisfactory. In current circumstances, when all our national budgets are under great pressure, it is seen as unacceptable that some Member States of the United Nations consistently fail to meet their international obligations.

We recognize the contributions recently made by the United States of America to the United Nations regular and peacekeeping budgets. We are distressed, however, that once again no progress has been made regarding outstanding arrears. This problem has to be solved as a matter of absolute priority in the interest of the long-term political viability of the Organization.

In our countries there is increasing parliamentary pressure to resolve this untenable situation and to take vigorous steps to address the deplorable financial situation of the United Nations. In this context, I refer to the resolution on financial contributions to the United Nations adopted by the European Parliament on 8 October 1998.

Against this background, our missions in New York will further pursue proposals to tighten the procedures for the application of Article 19 of the Charter of the United Nations as well as to put in place a series of measures designed to serve as a disincentive to countries that might deem it unnecessary to live up to their international obligations. These measures will include preferential treatment in the area of procurement throughout the United Nations system for those countries that are fully up-to-date with their assessed contributions.

We strongly believe that the Organization is a most valuable and irreplaceable instrument of international politics and an indispensable platform for addressing the most

pressing global issues. The Union is also convinced that the United Nations requires further ongoing reform if it is to address those issues efficiently and effectively. But resistance to reform increases as the United Nations financial crisis persists and United States arrears, in particular, remain unpaid.

For these reasons the European Union will continue to steadfastly support the reform process of the Organization and support your efforts to restore its financial viability.
