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Chairman: Mr. Ali. (Malaysia)
*Chairman of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Saha

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The meeting was called to order at 10.05 a.m.

Agenda item 130: Improving the financial situation of the United Nations (*continued*) (A/62/539)

1. **The Chairman**, recalling that the Controller had briefed the Committee on the current financial situation of the Organization at its 16th meeting, held on 7 November 2007, said that his statement had been issued as a report of the Secretary-General under the symbol A/62/539.

2. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, emphasized that payment of assessed contributions in full, on time and without conditions was an obligation under the Charter of the United Nations and a prerequisite for the predictability of financial resources and the implementation of all the Organization's mandates.

3. The Group regretted the weak financial situation of the Organization and the recurrence of the pattern of the past few years, with no major improvement in the payment of assessed contributions and the need to borrow from reserve accounts and the accounts of closed peacekeeping missions owing to a large outstanding payment from one Member State. That systemic problem must be permanently resolved.

4. While the Group understood that procedural difficulties could briefly delay the payment of peacekeeping assessments, Member States must take seriously the negative implications of persistent non-payment. The Group opposed cross-borrowing from peacekeeping operations; cash surpluses should be used to meet outstanding liabilities, such as payment of the \$731 million of arrears for troops and contingent-owned equipment, or returned to individual Member States. Emphasizing that most troop-contributing countries were developing States which were unable to maintain their troops or equipment on their own indefinitely, it expressed concern at the real possibility of a deferral of the next quarterly payment to those countries until early 2008. It hoped that the expected payment from a major contributor would soon reach the Organization, improving financial stability.

5. The Group welcomed the improvement in the financial situation of the International Criminal Tribunals and urged the Secretary-General to ensure full and effective implementation of past and future resolutions on the capital master plan. It hoped that Member States with unpaid assessments would settle

their accounts as soon as possible, particularly if their capacity to pay was not in question.

6. **Mr. Ramos** (Portugal), speaking on behalf of the European Union, said that the twice-yearly financial situation report enabled the Member States to put into context the effect of payment or non-payment of assessments on the Organization's day-to-day functioning and mandates. It also indicated clearly the degree of willingness of the Member States to fulfil their responsibilities for the financial well-being of the Organization.

7. While past financial situation reports had shown a moderate improvement, the current picture was mixed. The exponential increase in assessments for the regular budget, criminal tribunals, peacekeeping and the capital master plan placed an additional burden on Member States. That raised the question of whether the burden was sustainable. While the European Union, which accounted for 40 per cent of all assessed contributions, agreed that Member States must pay assessments in full, on time and without conditions, it believed that a link should be made between the need to finance the mandates of the Organization adequately and the need to promote fiscal discipline and an accountable, efficient and effective use of resources.

8. **Mr. Kemp** (Australia), speaking also on behalf of Canada and New Zealand, said that, even though the Committee debated the financial situation of the Organization twice a year, reflecting the importance of the issue, there had been little improvement. The only certainty appeared to be a budgetary shortfall. The cycle of underpayment and non-payment should be broken, and Member States should meet their obligations, providing the resources to enable the Organization to discharge its mandates.

9. Australia, Canada and New Zealand understood that Governments might have difficulty fulfilling all their domestic and international commitments, as they faced the same situation themselves. However, it was clear that the increase in unpaid assessments was forcing the Organization to do more with less, a problematic position. Although some solutions to funding shortfalls existed, they were at best temporary and resulted in the late repayment of debt and unencumbered balances, penalizing troop-contributing countries and those which paid their assessments in full.

10. Member States could do more. They should make payments in full and on time. The Fifth Committee should pursue budget discipline and efficiency. Other intergovernmental forums, such as the Committee for Programme and Coordination and bodies discussing the review of mandates, could eliminate duplicative and unnecessary activities. The Member States must encourage a system which rewarded rather than penalized the Secretariat for finding savings.

11. **Mr. Davide** (Philippines), speaking on behalf of the Association of Southeast Asian Nations, said that the pursuit and implementation of activities designed to promote the three main pillars of the Organization — peace and security, human rights and, most important of all, development — required fiscal health and sound management. Member States should comply faithfully with their legal obligation to bear the expenses of the United Nations. However, due consideration should be given to the Member States that were temporarily prevented from meeting their financial obligations in a timely manner by valid and justifiable factors such as genuine economic difficulties.

12. The States members of ASEAN were concerned at the increase in unpaid assessments, with arrears concentrated among very few Member States. They hoped that those States would take action to ensure that the Organization's financial situation presented a clear and positive picture by the end of 2007 and expressed their continuing unease with the unacceptable practice of cross-borrowing from the accounts of closed peacekeeping missions, although the sum available from that source was much higher in 2007 than in 2006.

13. Also a matter of concern was the unresolved problem of timely payment of the Organization's debts to Member States providing troops and equipment for peacekeeping operations. It was not encouraging that the level of debt was likely to be higher than originally forecast, and that the next quarterly payment to those Member States might not be made until early in 2008. The Member States that responded to the call to contribute to maintaining international peace and security were mostly developing countries, which experienced difficult domestic circumstances and economic strain. Delays in reimbursement placed additional burdens on them.

14. **Mr. Fermín** (Dominican Republic), speaking on behalf of the Rio Group, said that the continued

fragility of the Organization's financial situation was a source of concern. In the previous year, the level of assessed contributions had increased at a greater rate than the amount collected, resulting in higher debt to the Organization, with the bulk of that debt owed by a single Member State. If the current circumstances continued until the end of 2007, the Organization risked ending the year with a deficit and having to draw on reserve accounts.

15. Believing that good financial health was vital to fulfilment of the Organization's mandates, the States of the Rio Group made efforts to pay their assessments on time, often at the cost of considerable sacrifice. The delays which did occur were caused by domestic budget problems and by high-priority social needs such as combating poverty and the effects of natural disasters. Figures showed that the countries of the region had improved their payment situation relative to the previous year.

16. The doubling of arrears in contributions to the peacekeeping budget over the past year, again with a large share of the debt owed by a few Member States, was worrying, as was the increase in the Organization's debt to countries providing troops and contingent-owned equipment for peacekeeping missions. Those countries should be reimbursed, enabling them to continue providing troops and helping to fulfil the mandates established. The Rio Group encouraged Member States to remain up to date in paying their assessments to the budgets for the criminal tribunals and the capital master plan.

17. **Mr. Hoe Yeen Teck** (Singapore) said that, despite constant reminders that the Organization must have a strong and dependable funding base in order to fulfil its mandate, financial conditions continued to be precarious, with payments to the regular budget and the peacekeeping, criminal tribunal and capital master plan budgets remaining unpredictable. Ironically, those financial difficulties were entirely avoidable. While some countries faced genuine difficulties in paying their assessments, the real issue was late payment and non-payment by major contributors. They were not being asked to pay more than their assessment, they were simply being asked to pay in full and on time.

18. The delegation of Singapore was also aware that the Organization's financial situation depended on how well it managed resources. Its efficiency and accountability had been questioned. Where

shortcomings existed, they should be acknowledged, lessons should be learned and corrective action should be taken. Above all, the Organization must have a fair and transparent accountability framework to ensure that its staff could discharge their responsibilities and that their achievements could be measured without fear or bias.

19. Member States should pay their assessed contributions in full, on time and without conditions, a simple act which would help the Organization immeasurably. Certain Member States' practice of withholding contributions in the name of addressing inefficiencies was not a suitable solution. It would be better to act with more consultation and more systematically and objectively, and to ask whether it was more advisable to have a United Nations that was effective or one which was hobbled by self-inflicted financial weakness.

20. **Mr. Muhith** (Bangladesh) said that the Controller's briefing on the financial situation of the Organization had candidly reflected the core of the issue, which was Member States' compliance with their obligation under the Charter to pay their assessed contributions. Unfortunately, the facts and figures presented to the Fifth Committee twice yearly indicated a high level of unpaid assessments, low cash resources and increased debt to Member States, primarily Member States in the developing world. While the financial situation was expected to improve by the end of 2007, such an improvement was in the hands of a very small number of countries. The cases of Member States which were temporarily unable to fulfil their obligations for reasons beyond their control should be considered sympathetically through the established procedures.

21. Noting that \$190 million was available for cross-borrowing to supply the accounts of active peacekeeping operations as well as the regular budget and the criminal tribunals, his delegation said that the timely payment of assessed contributions would have made that unhealthy practice unnecessary. Bangladesh had been particularly attentive to paying its contributions to the regular budget and the budgets for peacekeeping, the criminal tribunals and the capital master plan. As a major contributor of troops to peacekeeping operations, it was concerned at the projected debt to Member States providing troops and contingent-owned equipment and the possibility that they might not receive a payment for the final quarter

of 2007. They were mostly developing countries, often with difficult domestic circumstances, and would experience additional strain if reimbursement was delayed.

22. **Mr. Park** Hee-kwon (Republic of Korea) said that implementation of the three pillars of the Organization's mandate, namely peace and security, development, and human rights, was achieved through two main tools: norm-setting and budgeting. Financial resources were the most visible and practical means of realizing the vision and plans of the United Nations, whose global commitments depended on financial stability and sustainability. The Organization could not meet the world's changing needs if it was not in good financial health.

23. Conscious that the primary responsibility for a sound financial base was in the hands of the Member States, the Republic of Korea had cleared its outstanding assessments in the first half of 2007 and was taking action to pay recent assessments. It would make every effort to pay its contribution to the capital master plan, which it fully supported, on time and in full. However, the Member States' obligations did not absolve the Secretariat of financial responsibility. Its first obligation was to comply with the financial rules and regulations, but that alone did not suffice. Its staff, as the individuals most directly affected if the financial health of the Organization was threatened, must pursue maximum efficiency and effectiveness, in the same manner as the private sector.

24. With unpaid assessments on 31 October 2007 at a higher level than on 31 December 2006, the regular budget of the Organization would be in deficit in November 2007 unless a few Member States took action. No Member State wished the Organization to have its operation and reputation as a trusted international body damaged by a poor financial situation. With only two months of the year left, the Member States in question would surely focus on clearing their outstanding assessments.

25. The hidden causes of delayed payment should not be overlooked. Delayed payment was caused not by fiscal irresponsibility but by rapid increases in budget expenditure, notably in peacekeeping missions. That placed an excessive burden on Member States vis-à-vis their domestic audiences. Expenditure should be prioritized and duplication in spending should be eliminated.

26. In view of the inherent risk in direct participation in peacekeeping operations, timely reimbursement of the cost of supplying troops and contingent-owned equipment was a precondition for the sustainability of those operations. Active cooperation with United Nations activities deserved to be rewarded expeditiously.

27. **Mr. Yamada** (Japan) said that his delegation's fundamental position had always been that every Member State was responsible for paying its assessment on time and in full. His Government had fulfilled its obligations in that respect, despite the extremely difficult financial situation it had experienced in recent years.

28. To understand the increase in unpaid contributions for the year ending 31 October 2007, it was useful to keep in mind the sharp increase in the assessment itself. As the growing assessment placed a greater burden on national budgets, it became more difficult for Member States to make sufficient payment in a timely manner. The Secretariat could help address the problem by making the utmost effort to implement mandates within the limited existing resources and avoid actions that adversely affected the budget, thereby increasing the baseline for the following biennium. It should work to absorb additional costs through greater efficiency, in accordance with regulation 5.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

29. The Secretary-General, in submitting his proposed programme budget for the biennium 2008-2009, was under an obligation to present his vision of the overall programme and all the Organization's anticipated needs for the biennium. A piecemeal presentation of the programme budget and the submission of subsequent requests were not conducive to reaching approval by consensus. He therefore requested additional information on activities to be streamlined and the expected outcome of the streamlining process. In that regard, his delegation was concerned about the delayed submission of the Secretary-General's reports on information and communication technology and the reforms of the Department of Political Affairs. Furthermore, the Secretary-General should expedite submission of his reports on special political missions and the second performance report for the biennium 2006-2007.

30. The sharp rise in assessments for the peacekeeping budget placed an additional burden on Member States and made timely payment difficult. His delegation was concerned about the huge expenses that the Secretary-General had suggested would be entailed by both the African Union-United Nations Hybrid Operation in Darfur (UNAMID) and the United Nations Mission in the Central African Republic and Chad (MINURCAT), and it would be looking carefully at how to make them more cost-efficient.

31. **Mr. Tawana** (South Africa) said that payment of assessed contributions in full, on time and without conditions was an obligation of all Member States under the United Nations Charter. It was encouraging that the financial position of the Organization's regular budget had improved as at 31 October 2007. It was particularly worrying, however, that the unpaid assessed contributions on that date had risen to \$836 million, compared to \$661 million on 31 October 2006.

32. Given the urgency of implementing peacekeeping mandates in particular, Member States must endeavour to pay their assessed contributions to peacekeeping operations in full and on time. In addition, it should be a financial priority of the Organization to pay in full the large amounts owed to States that provided troops and equipment for peacekeeping missions. It was encouraging that more Member States had paid their contributions to the International Tribunals in 2007. He hoped that the trend would continue in 2008. Similarly, the positive trend in contributions to the capital master plan should continue and the plan should be implemented according to the projected timetable.

33. His delegation sympathized with Member States that were unable to meet their financial obligations owing to special circumstances. Nonetheless, all Member States, and in particular the main contributor, should recommit themselves to meeting their Charter obligations.

34. **Mr. Arrif** (Malaysia) said that the United Nations must be on a sound financial footing if it was to function effectively and meet the growing demands it was facing. Adequate resources were required to deal with many competing priorities in the areas of development, peace and security. All Member States should, therefore, honour their financial obligations to the Organization by making full and timely payments without conditions and by settling any arrears.

35. According to the financial report that the Committee had received (A/62/539), the Organization's financial outlook remained uncertain, given that unpaid assessed contributions for the regular budget were higher than they had been a year earlier, with most of the outstanding amount owed by a single Member State.

36. A large sum was outstanding for the peacekeeping budget as well, owing primarily to substantial increases in the budgets of several peacekeeping missions. The Fifth Committee had been told, furthermore, that there would be insufficient cash in the peacekeeping accounts by the end of December 2007 to cover the activities of some peacekeeping operations, including the amounts owed to troop-contributing countries. It was imperative that Member States should meet their financial obligations towards the peacekeeping budgets so that mandates could be carried out successfully.

37. It was heartening that seven more States had paid their assessed contributions for the International Tribunals for Rwanda and the Former Yugoslavia, compared to 2006. He hoped that the financial situation of the tribunals would continue to improve.

38. With respect to the capital master plan, his delegation hoped that the proposed accelerated strategy IV would ensure that it would not face any further delays. Member States must establish an internal control framework and accountability mechanism, and the Secretariat must take serious action to implement the project.

39. **Mr. Rosales Díaz** (Nicaragua) said that strengthened multilateralism was the only way to meet the challenges that posed a threat to peace and development around the world. Yet such a position was meaningless if the United Nations was not placed on a solid financial footing.

40. He wished, first, to echo many other delegations in stating that all Member States had a shared responsibility to pay their assessments fully, on time and without conditions. It was deplorable that 94 per cent of the unpaid assessments were owed by the main contributor — and therefore the main debtor — of the Organization. He wondered by what moral authority the Secretariat staff could be asked to work more efficiently when, at the same time, the main debtor failed to provide the resources the Secretariat required to fulfil its mandates. The main contributor, with its

enormous economic resources, had no right to call the Secretariat to account when it was using its debt to bring pressure to bear in order to impose its own priorities on the Organization. It was disappointing that the Organization might have to withdraw \$86 million from its reserve accounts to cover the shortfall caused by the said contributor.

41. The shortfall in the peacekeeping accounts was also a matter of concern, since it led to a failure to reimburse countries, mainly from the developing world, that contributed troops and equipment for peacekeeping. Their reimbursement should be a priority.

42. Although Nicaragua was facing numerous economic and social problems and had been devastated by natural disasters, his Government had nevertheless paid its assessed contributions for the regular budget and the capital master plan and would continue to meet its obligations.

43. **Ms. Núñez Mordoché** (Cuba) said that, once again, the situation described by the Controller was extremely alarming. Clearly, the Organization faced financial uncertainty because it depended on receiving the contributions of a small group of countries. For those who insisted on a complete reform of the United Nations based solely on the 2005 World Summit Outcome, she pointed out that in paragraph 161 (e), all Member States had promised to provide to the United Nations, in a timely manner, the resources it required to fulfil its mandates according to the priorities agreed upon by the General Assembly and with due budgetary discipline. However, the main contributor had not complied with the provisions of that paragraph: as at 31 October 2007, it accounted for some 94 per cent and 40 per cent of outstanding amounts to the regular budget and the peacekeeping budget, respectively. The United States, which was subject to a maximum assessment rate of 22 per cent, was not honouring its financial commitments to the Organization.

44. Her Government had shown its real commitment by making significant payments towards the capital master plan and peacekeeping operations and full payment of its contribution to the regular budget for 2007. It had done so under adverse economic conditions stemming from the economic blockade imposed by the United States, which prevented Cuba from using American dollars for international transactions and forced it to pay its contributions

through a third country. That constituted a breach of the Convention on the Privileges and Immunities of the United Nations and violated the principle of non-discrimination and equal rights for States. She asked that the United States heed the 184 Member States that, in October 2007, had called on it to end the blockade against Cuba.

45. It was unfortunate that the Committee had not received the report currently before it at an earlier date. Given the negative situation of the Organization's finances, a substantive debate on the report and follow-up through a draft resolution were advisable. She hoped that the failure to pay contributions was not an attempt to apply pressure with respect to other matters under negotiation.

46. **Mr. Geete** (India) said that it was not only a legal obligation but also a moral one for Member States to pay their assessed contributions on time, in full and without conditions. Exceptions were justified only for those who were unable to do so owing to circumstances beyond their control. A United Nations that was in financial difficulty could not command people's confidence or fulfil its declared objectives of spreading peace and development. While the financial position of the regular budget was admittedly healthier than a year earlier, the level of unpaid assessments was still significant enough to impair the effective functioning of the Organization. It was disconcerting that the uncertainty in the regular budget position was caused by just a few Member States.

47. Given that India was one of the largest troop-contributing countries for peacekeeping, his Government was alarmed that the outstanding amount for peacekeeping operations stood at some \$3.5 billion as at 31 October 2007. The high level of the Organization's debt to countries that provided troops and equipment, and the Controller's statement that the Secretariat might not be able to make the next quarterly payment to them until early 2008, represented a grim situation. India's contributions of troops and contingent-owned equipment were not a commercial enterprise, but a manifestation of its commitment to the principles of the United Nations Charter. Nevertheless, once a written understanding was in place, his Government was justified in expecting that all sides would keep their commitments. The credibility of the United Nations depended on it.

48. The Secretariat could help mitigate the difficult situation by using sound financial management practices and managing the cash accounts better, especially for peacekeeping budgets. Given that the unpaid assessments in both the regular and peacekeeping accounts were concentrated among just a few Member States, overcoming the situation was not an insurmountable task. He urged Member States, and particularly those that had the means to do so, to pay their assessed contributions in full and on time.

49. **Mr. Shcherbak** (Russian Federation) said that the Secretary-General's report (A/62/539) demonstrated that the financial situation of the Organization was not sufficiently stable. Although the number of Member States that had paid their assessed contributions was somewhat higher, his delegation was concerned that, as in the past, a small group of Member States accounted for the bulk of the unpaid amount. He welcomed the expected decrease in the amounts owed to countries that provided troops and equipment for peacekeeping, but noted that the problem of the Organization's continued indebtedness in that respect was far from being resolved.

50. The failure of Member States to fulfil their financial obligations was taking place against a background of growing expenditures, primarily for peacekeeping, and could undermine the Organization's efforts to maintain peace and security. To prevent the situation from deteriorating further, greater financial discipline must be exercised and outstanding amounts must be paid, including for the peacekeeping budget. Naturally the Member States, who bore the financial burden, were entitled to expect that the Secretariat would carry out rational financial planning and make realistic estimates of resource requirements. He was deeply concerned about the level of unpaid contributions for peacekeeping because it meant that the Secretariat would once again have to resort to cross-borrowing from the accounts of closed peacekeeping missions.

51. His delegation's position on how to improve the Organization's financial position had not changed: Member States must pay their assessed contributions on time and without conditions and must not use payment as a tool for applying political pressure. He expected all Member States to make every effort to pay outstanding amounts so that the United Nations could respond to global challenges and threats and carry out its mandated programmes and projects.

52. **Ms. Yu Hong** (China) said that a strong and stable financial foundation was essential if the United Nations was to strengthen its role in international affairs. Her delegation was therefore concerned that unpaid contributions had increased compared to the same period of the previous year. Some Member States — and some developing countries in particular — had done their utmost to meet their financial obligations, despite all kinds of practical difficulties. Those efforts were to be commended. All other Member States should follow their example and demonstrate their commitment to the Organization by paying all their assessed contributions in full, on time and without conditions.

53. The rapid increase in the Organization's expenditures during recent years placed a considerable burden on Member States and on developing countries in particular. The regular budget should be apportioned equitably among all priority areas, including development, and should take into account Member States' capacity to pay. At the same time, the Secretariat should strengthen administrative and budgetary management, reinforce financial discipline and make effective use of every penny of Member States' contributions. It should avoid using the reform as an excuse to increase staff resources, as that would result in overstaffing without efficiency gains.

54. Despite its low per capita income and the 42 per cent increase in its total assessed contributions for 2007 (\$270 million) over those for 2006, China had paid its full assessed contribution to the regular budget and its assessments for the two International Tribunals and the capital master plan. It had also provided over \$50 million in advance for the purchase of equipment for the peacekeeping troops in the Sudan and Liberia. China would pay the bulk of its outstanding peacekeeping assessment before the end of 2007.

55. The international community's expectations of the United Nations continued to rise. She therefore called on all Member States to demonstrate political will and meet their financial obligations under the Charter.

56. **Mr. Yáñez Pilgrim** (Bolivarian Republic of Venezuela) said that, although payments by Member States had increased, they had not kept pace with the Organization's new obligations, especially in the field of peacekeeping. The United Nations was in a complex financial situation and it was quite evident that non-payment of dues hindered its ability to function.

57. The United Nations appeared to be increasing its focus on peacekeeping and reform measures. Although Venezuela considered peacekeeping to be one of the Organization's main objectives, that did not mean that other goals were less important. His delegation was alarmed that the current debt to the Organization amounted to more than twice the budget level proposed for 2008-2009; however, it was more disturbed at the distribution of resources than the increased assessments themselves.

58. A single country accounted for 94 per cent of the arrears to the regular budget. Paradoxically, that country had a strong economy and received considerable benefits from the United Nations. Obviously, it was using its debt to influence the decision-making process, which undermined the Organization's intergovernmental spirit and democratic values. He reiterated his country's strong commitment to the principles enshrined in the Charter and the principle of sovereign equality in particular. The Venezuelan status of payments was generally favourable and the assessed contribution for the capital master plan had been paid in full.

59. The United Nations must endeavour to find new solutions to its ongoing financial difficulties, which had become a "chronic disease with no apparent cure". For its part, his country remained committed to meeting its obligations in full, on time and without conditions.

60. **Mr. Sena** (Brazil) expressed his delegation's appreciation to the Controller for having promptly updated his financial presentation on the Fifth Committee website to include Brazil among the Member States that had paid in full all assessed contributions due and payable at 31 October 2007.

61. **Mr. Ruiz Massieu** (Mexico) said that, if the handful of countries that were in arrears were to pay their assessments in full, the Organization's fragile financial situation would be greatly improved. Despite the steep increase in its assessments, Mexico had paid in full its contributions to the regular budget, the International Tribunals and the capital master plan. Noting that national budget cycles were not in line with the Organization's peacekeeping budget cycles, he said that Mexico would nonetheless pay its assessment to the peacekeeping budget by the end of 2007.

62. **Mr. Ng'ongolo** (United Republic of Tanzania) said that his country had demonstrated its strong

political will by making a one-time payment to the capital master plan, despite being one of the least developed countries. It had also paid in full its assessments to the various other United Nations budgets. He urged all Member States to support the Organization by paying their assessed contributions in full, on time and without conditions.

63. **Mr. Sach** (Controller) informed the Committee that, as of the previous evening, Egypt had paid in full its assessed contribution to the regular budget and Ireland had paid in full its assessed contribution to all budgets. A payment in the amount of \$218 million had been received from the major contributor for the peacekeeping budget, thereby reducing its debt for peacekeeping operations to approximately \$1.1 billion. The same Member State had paid \$100 million against the regular budget assessment, thereby reducing its debt to \$684 million.

64. **Mr. Potts** (United States of America), speaking in exercise of the right of reply, said that his delegation took the floor with great reluctance. However, since Cuba had criticized the United States by name for having failed to pay its assessed contributions and had brought up the extraneous issue of trade relations, it was compelled to respond to the charges. The United States embargo was in place for the sole purpose of bringing about much-needed change in Cuba. The United States wished to see a government in Cuba that was committed to freedom of speech and assembly, a free press and the freedom to form political parties.

65. The United States had been the largest contributor since the United Nations was founded. From fiscal years 2001 to 2005, it had contributed more than \$20 billion in both assessed and voluntary contributions. It was committed to paying its obligations.

66. **Mr. Berti Oliva** (Cuba), speaking in exercise of the right of reply, said that many had qualified the United States economic, commercial and financial embargo of 45 years as an act of genocide against the Cuban people. In 1960, the Eisenhower Administration had set the aim of bringing about surrender through hardship, and as recently as October 2007 President Bush had called for a strengthening of the measures. Extraterritorial legislation like the Torricelli and Helms-Burton Acts demonstrated that the true aim of the embargo was quite different from that just described by the representative of the United States.

Furthermore, the United States Treasury was conducting a war against Cuban transactions, which affected Cuba's ability to make its payments to the United Nations. Some 20 foreign banks carrying out transactions with Cuba had been threatened.

67. He noted that the majority of Member States had responded to the Secretary-General's request for information on the necessity of ending the embargo (A/62/92) and called for the United States to end the blockade immediately.

68. Considering that the President had come to power through an electoral fraud and that the Government of the United States was subjecting prisoners to inhumane treatment and torture at its illegal military base in Guantánamo, the United States was in no position to deliver lectures on democracy.

69. **Mr. Rashkow** (United States of America), speaking in exercise of the right of reply, said that, once again, he was reluctant to take the floor to respond to irrelevant, extraneous and fallacious comments by the Cuban delegation. His delegation had already made clear its position on the embargo and simply wished to point out that Cuba's human rights record remained poor. His Government had always maintained that it would work with the international community for a peaceful transition to democracy in Cuba.

70. The assertion that the election of the United States President had been an electoral fraud had no basis in fact. His country's electoral system was completely transparent, and processes and procedures were in place to resolve any differences that might arise. That process had taken place and the election of the President had been reaffirmed, in the truest sense of democracy and transparency.

71. **Mr. Berti Oliva** (Cuba), speaking in exercise of the right of reply, said that the United States should concern itself with its own human rights record and not worry about human rights issues in Cuba. It had the effrontery to call itself democratic, yet it called for the assassination of international leaders.

72. Cuba had held elections like any other country and the people of Cuba had democratically chosen the socialist system. The Cuban people had the right to choose the political system and type of democracy it preferred.

73. It was the United States — not Cuba — that had passed or threatened to pass laws that hindered the Organization's work by restricting its financing and had succeeded in imposing a spending cap on the budget in 2005. He called upon the Government of the United States to respect its obligations and pay its assessed contributions to the United Nations in full, on time and without conditions.

The meeting rose at noon.