



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. LYLE
DAVIDSON, COUNSELLOR IN THE PERMANENT MISSION OF THE REPUBLIC OF
SOUTH AFRICA TO THE UNITED NATIONS, ON AGENDA ITEM 136: IMPROVING
THE FINANCIAL SITUATION OF THE UNITED NATIONS AT THE MAIN PART OF
THE SEVENTIETH SESSION OF THE FIFTH COMMITTEE OF THE UNITED
NATIONS GENERAL ASSEMBLY**

(New York, 22 October 2015)

Mr. Chairman,

I have the honour to speak on behalf of the Group of 77 and China on agenda item 136: improving the financial situation of the United Nations.

The Group would like to thank Mr. Yukio Takasu, Under Secretary-General for Management, for his presentation on the financial situation of the Organisation made on 15 October 2015. The Group also wishes to express its appreciation to the Office of Contributions for the updated information on the assessments of Member States and its continued support for Member States.

Mr. Chairman,

This is the opportunity to reflect on our collective effort to ensure the financial health of the Organisation, as well as to reaffirm our commitment to meeting our legal obligation to bear the expenses of the Organisation.

It remains a concern that unpaid assessments for the regular budget and tribunals are marginally higher than in October 2014, but the Group is encouraged that the Organisation has seen an increase in the level of payment of assessments for peacekeeping operations from last year. However, the Group is positive that this situation will improve as it is recognised that not all Member States have national financial cycles aligned with that of the United Nations.

The Group is further encouraged that the Organisation is making progress in addressing outstanding payments to Member States, as it relates to troop costs and contingent owned equipment. However, the Organisation is strongly urged to significantly reduce the outstanding amount by the end of 2015.

Since many troop contributing countries are also developing countries, they are not in a position to sustain their troop commitments and maintain their equipment on their own for extended periods of time. This represents a major concern and priority for the Group and we wish to see improved timelines for this process.

Mr. Chairman,

The Group recognises the need for ensuring financial stability in order for the Organisation to function effectively and to be able to fully implement all its mandates and activities. The Group reaffirms its legal obligations in accordance with the Charter of the United Nations. While recognising the need to extend sympathetic understanding to those temporarily unable to meet their financial obligations, as a consequence of genuine economic difficulties, the Group urges all Member States to pay their assessed contributions in full, on time and without conditions. The Group, therefore, wishes to express its appreciation to all the Member States who have made real efforts to reduce their outstanding contributions.

The Group of 77 and China continues to strongly reject all unilateral coercive measures contrary to international law, which obstruct, and sometimes impede, payments from members of our Group to the different budgets of the Organization.

The Group remains concerned about policies of withholding financial obligations due to the United Nations to create linkages to the reform of the United Nations. Withholding funds for approved budgets creates artificial political leverage that undermines the established principles of governance of the United Nations on the basis of the sovereign equality of Member States.

The Group of 77 and China reiterates its concern about the 22% ceiling. The Group recalls that the rationale for reducing the ceiling to 22% in 2000 was to facilitate the payment of arrears and thereby improve the financial situation of the United Nations. The Group is concerned at the continued significant levels of arrears of the major contributor and the potential impact on mandate delivery by the Organisation.

The Group needs to receive reassurances from the Secretariat that the implementation of the programmes and activities of the United Nations that are funded from the regular budget will not be delayed or scaled down due to the non-payment of assessed contributions.

Mr. Chairman,

I wish to reiterate that the Group of 77 and China will continue to participate constructively in the collective efforts towards resolving the persistent financial difficulties of this Organisation.

I thank you, Mr. Chairman.