

**Statement by George Hampton on behalf of Canada, Australia and
New Zealand (CANZ) to the Fifth Committee on Improving the
financial situation of United Nations
New York, 13 October 2016**

Thank you Madam Chair,

I have the honour to speak today on behalf of Canada, Australia and New Zealand. As this is the first time CANZ is addressing the committee this session, please allow us to congratulate you on your election as Chair of the Fifth Committee. We have every confidence that you will lead this session to a successful and timely conclusion and look forward to working with you to this end.

CANZ delegations would like to thank Assistant Secretary-General Bartsiotas, for her presentation on the financial situation of the United Nations provided to us last week. We welcome the assessment that the financial situation of the UN is "sound", and are encouraged at the small decrease forecast in outstanding payments to the peacekeeping budget. We note with concern, however, the increasing dependence on budget reserves, and that current cash shortfalls will present "severe" problems if outstanding assessed contributions aren't paid in a timely manner. We join the Assistant Secretary General in urging all 67 Member States that have not yet done so, to pay their assessed contributions without delay.

Madam Chair,

We remain concerned at the flow-on effects of the close to \$1.2 billion dollars in unpaid assessed contributions. It is the troop and police contributing countries, as well as those who provide specialised equipment that are forced to shoulder this financial burden while waiting for outstanding contributions to be paid. Further, it results in inequity between Member States which have paid their assessed contributions in full and on time and those which have not. Timely payments to Member States for the troops, formed police units, and contingent-owned equipment they contribute to peacekeeping operations, as well as for letters of assist and death and disability claims, will always depend on the ability of Member States to meet their financial obligations to the UN in full and on time. We commend the Secretariat for continuing to prioritize swift payment in this regard, despite the difficulties caused by late-paying Member States.

Madam Chair,

Unpaid assessed contributions also have a significant adverse impact on the Organisation. As reserve funds are nearly exhausted, we face the risk of severe cash problems if sufficient contributions are not received. While the Working Capital Fund was established to provide advances to bridge the period before the receipt of contributions, this liquidity mechanism can only function properly if those contributions are paid on time and full. We are also concerned with the increasing reliance on both this fund and the Special Account each year, with the cash shortfall growing from \$31 million in 2013, to \$344 million as at the end of September this year.

Madam Chair,

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. While recognizing the challenges associated with differences in financial years and the timing of related national legislative processes, we urge all Member States to do the same. The Organisation has a mechanism in place to assist Member States to address these arrears, and we encourage all eligible Member States to make use of this by submitting multi-year payment plans.

In order to effectively carry out the many jobs we require of it we must all continue to ensure the Organisation has the resources it needs. At the same time, we must collectively find areas where we can save costs, improve processes, and better use existing resources. CANZ strongly believes that the key to improving the financial situation of the United Nations is to ensure the resources provided to the Organisation are managed with practicality and efficiency.

I thank you,