



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MS. NADA TARBUSH, FIRST SECRETARY, PERMANENT MISSION OF THE STATE OF PALESTINE TO THE UNITED NATIONS, ON AGENDA ITEM 134: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (B) UNITED NATIONS PEACEKEEPING OPERATIONS, AT THE SECOND RESUMED PART OF THE SEVENTY-THIRD SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY
(New York, 7 May 2019)**

Madam Chair,

I have the honor to speak on behalf of the Group of 77 and China on agenda item 134: Financial Reports and Audited Financial Statements and Report of the Board of Auditors, on United Nations Peacekeeping Operations.

The Group would like to thank Mr. Peter Korn, Chairman of the Audit Operations Committee for introducing the Board's report as contained in document A/73/5(Vol. II). We also would like to thank Mr. Chandramouli Ramanathan, Assistant Secretary-General, Controller, for introducing the report of the Secretary-General contained in document A/73/750 and Mr. Cihan Terzi, Chair of the ACABQ, for introducing the Committee's related report A/73/857.

Madam Chair,

Let me begin by expressing the Group's recognition and appreciation of the valuable work done by the Board of Auditors and its critical role as an external audit and oversight body of the United Nations.

The quality of the Board's reports, accurate and reader-friendly, is a key element in helping the membership to keep track of the Organization's expenditures in Peacekeeping Operations and the efficient fulfillment of its mandates. The Group attaches great importance to the mission of the Board of Auditors, inasmuch as it provides detailed insight into the financial matters of the United Nations, complementing the oversight capacities of other oversight bodies, namely the OIOS and JIU. In this regard, the Group notes with appreciation the close coordination and collaboration of the Board with these two counterparts, in order to avoid unnecessary and undesired duplication of efforts and resources.

The Group has thoroughly examined this year's report and notes the approach taken by the Board, moving away from previous parameters and making it more results-oriented. This new format will improve the Committee's ability to identify and cope with the challenges related to the work of the Organization in regard to peacekeeping missions.

The Group notes that according to the Secretary General's report, up to January 31st, 2019, a total of 52 recommendations had been issued by the Board to the Administration. Of these, 17 were categorized by the Board as "main recommendations", whose implementation is expected to take priority over the remaining ones. The Group notes that, as of that date, none of the main recommendations had been implemented in full. And of the total 52 recommendations, 50 still remained in progress. Whereas the Group recognizes the Secretariat's effort in meeting those standards and explaining how and when it plans to achieve full implementation, the low rate of implementation raises concern, especially in relation to the main recommendations.

In this regard, the Group notes with concern that, according to the Board's report, the implementation of certain recommendations has been deferred or altogether abandoned due to perceived or expected outcomes of the management reform. The Group believes that the management reforms and the Board's recommendations have the common goal of making the Organization more efficient and effective in the fulfillment of its mandates. They should be regarded as complementary and their observance should be reconciled. The Group thus reiterates its request to the Secretariat to enhance its efforts to implement in full the Board's recommendations that have been endorsed by the General Assembly.

Madam Chair,

The Group notes the recurrence of similar or related recommendations from previous audits, as well as the emergence of new goals with respect to peacekeeping operations. The present report highlights, for instance, that the full use of Umoja's capabilities in the administration of peacekeeping funds remains a challenge to be overcome. Weaknesses in budgeting and budgetary reporting, as well as a more efficient and reasonable management of Air Operations, are other areas whose improvement is still in progress. We look forward to our discussions in the upcoming consultations to examine how the Secretariat can expeditiously address the issues identified.

The Group is concerned over a number of other points raised by the Board and will seek clarifications thereon during the informal consultations. These issues include but are not limited to:

- Shortcomings regarding the physical verification of items, which has been compromising the reliability of data in the relevant statements
- Lack of standardization in a series of processes and methodologies, leading to the establishment of parallel guidelines, creating risks for the consistency of the work of the Organization
- Lack of a comprehensive, unified Strategic Review policy of peacekeeping operations, compromising the factual evaluation of mandate implementation by relevant stakeholders
- Weaknesses in the overall compliance control of ammunition management, putting the security and the work of peacekeepers at risk and the Organization's funds at stake
- Problems with accuracy and reliability in the reporting process of contingent owned equipment and troop-strength
- Persistent absence of the Letter of Assist process entirely within Umoja
- Imperfections in the supply chain management and procurement processes

The Group would also like to seek clarification on the capital ratios structure and whether the Board is able to identify and explain the liquidity problem being faced by UN Peacekeeping. Due to the unique situation of the UN, liquidity, expressed as the cash ratio, is perhaps one of the best measures of its financial health.

Finally, Madam Chair, the auditors have commented on several issues from the realm of peacekeeping policy that are generally discussed in the intergovernmental Committee on Peacekeeping. It is also important to note that some of the recommendations in the report were discussed within this Committee in the past but no decision could be taken as no consensus could emerge.

In closing, the Group would like to reassure you, Madam Chair, of its readiness to engage constructively in the informal consultations, to conclude this agenda item at the earliest opportunity.

I thank you.