



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MR. SAED KATKHUDA, ADVISOR, MISSION OF THE STATE OF PALESTINE,
ON AGENDA ITEM 138: IMPROVING THE FINANCIAL SITUATION OF THE
UNITED NATIONS, AT THE SECOND RESUMED SESSION OF THE SEVENTY-
THIRD SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS
GENERAL ASSEMBLY
(New York, 16 May 2019)**

Madam Chair,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 138: Improving the financial situation of the United Nations.
2. The Group thanks Ms. Jan Beagle, Under-Secretary-General for Management, for her presentation on the financial situation of the Organisation made on 7 May 2019, and for the updates provided this morning. The Group also expresses its appreciation to the Office of Contributions for the updated information on the assessments of Member States, and its continued support to Member States.

Madam Chair,

3. The Group of 77 and China expresses our serious concern at the financial health of the Organisation, in particular the deepening liquidity problems in the regular budget and the late settlement of payments to troop and police contributing countries for peacekeeping operations. We note that regular budget deficits have continued to increase and appear earlier in the year, and that cash shortfalls in the peacekeeping budget continue to be covered by borrowing from the accounts of closed peacekeeping missions. This is not good budgetary practice, nor is this sustainable.
4. On the reimbursement of troop and police contributing countries, it is unacceptable that the Organisation continues to owe them payments of around US\$339 million. Most of these countries are developing countries. This has created a situation whereby the developing countries, several of which are financially challenged, are in fact subsidising peacekeeping operations that have been mandated by some delegations in the Security Council that do have the capacity to pay, but choose to deliberately withhold payments.

Madam Chair,

5. The Group expresses its appreciation to Member States who have made efforts to reduce their outstanding contributions. We are encouraged that as compared to last year, more Member States have paid their assessments in full. Notwithstanding this positive development, the outstanding contributions in terms of percentages hit a decade-high record in 2018, at 21.3 percent. While the Group empathizes with Member States who are genuinely

unable to meet their financial obligations for reasons beyond their control, we firmly believe that any deliberate and unilateral withholding of contributions by Member States that do have the capacity to pay is unacceptable. This is particularly so for Member States that have exhibited repeated patterns of withholding while still clinging on to their special privileges. It is all the more unacceptable that troop and police contributing countries, who have put their lives on the frontlines in defence of peace, are in effect subsidising these same countries who are penholders for peacekeeping mandates, continuously demand improvements according to arbitrary and selective definitions of "performance", and yet do not honour their basic responsibilities to pay their assessments in full, on time, and without conditions.

Madam Chair,

6. The Group will carefully study the budget reform proposals of the Secretary-General. But no matter how well thought-out the proposals, the underlying precondition for their successful implementation lies in Member States paying their assessments in full, on time, and without conditions. No amount of flexibility will solve a basic lack of financial resources.

7. In closing, Madam Chair, let me assure you that the Group of 77 and China will participate constructively in a collective and inclusive effort towards resolving the perennial financial difficulties of the Organisation.

I thank you, Madam Chair.