

## **Check against delivery**

### **Statement of the Chairman**

#### **Advisory Committee on Administrative and Budgetary Questions**

**4 June 2019**

#### **Improving the Financial Situation of the United Nations**

*(ACABQ report: A/73/891; Related report: A/73/809)*

Madam Chair,

I am pleased to introduce the Advisory Committee's report on Improving the Financial Situation of the United Nations (A/73/891).

The Advisory Committee notes the efforts of the Secretary-General to manage the recent liquidity problems experienced by the Organization. The Committee recalls that the General Assembly has repeatedly urged all Member States to fulfil their financial obligations, as set out in the Charter of the United Nations, on time, in full and without conditions.

The Advisory Committee also notes that, as reflected in the reports of the Board of Auditors, the overall financial situation of the Organization is sound; however, it recognizes the existence of liquidity challenges and stresses that the liquidity situation of the Organization needs to be closely monitored.

With respect to reimbursements to troop- and police-contributing countries in a number of peacekeeping missions, the Advisory Committee notes with concern the situation concerning those missions and underscores the need for further efforts to ensure that the Organization's financial obligations to troop- and police-contributing countries are settled in a timely manner.

Madam Chair,

The recommendations of the Advisory Committee on the respective proposals of the Secretary-General are set out in section III of its report.

First, I would like to highlight a few of the recommendations relating to the regular budget.

The Advisory Committee recommends that the General Assembly approve the suspension of surrender of the unspent appropriations of the regular budget, with the suspension of the relevant financial regulations, for a trial period of one year in 2020. The Committee also recommends that the Assembly request updated information on the impact of the implementation of this measure during its 74<sup>th</sup> session.

Recognizing that the Special Account serves as an important additional liquidity tool to complement the Working Capital Fund in managing regular budget cash flow, the Advisory Committee considers that the Special Account should continue to be used to complement the Working Capital Fund. The Committee is of the view that a decision concerning whether or not to replenish the Special Account is a matter within the purview of the General Assembly.

Now, let me turn to some of the proposals relating to the budgets of peacekeeping missions.

With respect to the proposal of having a “cash pool” mechanism, which would allow cross-borrowing among active peacekeeping missions while maintaining separate fund balances and accounts, the Advisory Committee sees merit in the proposal as a means to address the liquidity challenges experienced by the missions. The Committee trusts that more information will be provided to the General Assembly in order to clarify the specific operating modalities of the proposal. The Committee recommends that the Assembly approve the introduction of this mechanism on a trial basis for the 2019/20 budget period and that

information on the implementation of the mechanism will be reported to the Assembly for further consideration during its 74<sup>th</sup> session.

Concerning the proposal to approve the issuance of assessment letters for peacekeeping operations for the full budget period, the Committee sees merit in inviting Member States to pay assessments for a full budget period to address the liquidity challenges, with clear indication on the amounts of the contributions corresponding to the current mandate period and an estimation for the remaining part of the budget period subject to potential mandate extension.

Thank you, Madam Chair.