



**Statement on behalf of the Member States of the European Union**

**by**

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**Item 138. Improving the financial situation of the United Nations**

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Madam Chair, Mr. Secretary-General,

I have the honor to speak on behalf of the 28 Member States of the European Union.

The Candidate Countries Republic of North Macedonia\*, Montenegro\*, Serbia\* and Albania\*, the country of the Stabilisation and Association Process and potential candidate Bosnia and Herzegovina, as well as Ukraine, the Republic of Moldova and Georgia align themselves with this statement.

I would first like to thank you, Mr. Secretary-General, for being here today and for presenting us your report on "Improving the financial situation of the United Nations". I would also like to thank Mr. Cihan Terzi, Chair of the Advisory Committee on Administrative and Budgetary Questions, for presenting the recommendations of his Committee.

Madam Chair,

We thank the Secretary-General for addressing the issue of the financial situation of the United Nations. We agree that the liquidity situation requires urgent action and welcome the Secretariat efforts to minimize the impact of the liquidity shortfalls on mandate delivery. We share the Secretary-General's analysis that the continued accumulation of arrears, as well as the inherent structural weaknesses and rigidities in the budget methodologies undermine the good functioning of the organization, both at headquarters and in the field. These issues need to be addressed without delay, in order for the organization to comply with its mandates, deliver the results that we expect from it and address new and upcoming challenges.

Please let me reiterate, as we previously stated many times in this Committee, that ensuring the financial health of the organization is a shared responsibility: a partnership between Member States and the organization. This shared responsibility is fundamental to the ability of the United Nations to respond to its many mandates and missions in an effective and efficient manner. Promoting the sound and stable financial footing and management of the United Nations is therefore one of the priorities of the EU Member States as the collectively largest financial contributor to the UN.

It is the responsibility of each Member State to fulfill its financial, legal and political obligations towards the UN, as it is the Secretariat's responsibility to manage for results and allocate the funds in the most efficient and effective way. We encourage Member States to pay all their assessed contributions in full, as soon as possible and without conditions.

Mr. Secretary-General,

We would like to express our appreciation for the concrete solutions proposed in your report, for both the regular budget of the organization and the peacekeeping budgets. We welcome your continued personal engagement in making the functioning of the organization more efficient and effective and we continue to support you in these efforts. In taking your oath of office, you promised to work closely with the Member States to make the reform of our organization a

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\* North Macedonia, Montenegro, Serbia and Albania continue to be part of the Stabilisation and Association Process.

priority – we would like to thank you for maintaining an open dialogue with all Member States and congratulate you for the progress made so far in implementing the reform of the UN.

The UN reform is a very ambitious undertaking and we are at present on a very strenuous and challenging path towards making a durable and sustainable change in the working of the UN. The integrated and holistic approach promoted through the three reform pillars indeed needs to be complemented with budget procedures that enable you to allocate funds based on priorities and actual needs on the ground. A responsive UN requires agile and modern budget methodologies and tools. In return for this flexibility, the General Assembly expects the highest standards of transparency and accountability.

The regulations and rules governing the new annual regular budget and the peacekeeping budgets should be there to help us respond to the most urgent needs and to help allocate resources strategically. Budgetary instruments are a means to an end and not an objective per se. They should be fit-for-purpose to deliver results. Far too often the UN's actions are defined by funding streams and budget lines, not by strategic implementation of our common goals.

Mr. Secretary-General,

We studied carefully your analysis of the financial challenges that the organization faces, their causes, as well as your proposed solutions. We take note of the delay in fully reimbursing troop contributing countries, due to these challenges. We regret that too often mandate delivery is hampered by liquidity problems and we will engage constructively on these issues.

Indeed your report provides us with a solid basis for discussion in this Committee. We look forward to having meaningful and substantial debates on these issues and to reaching an agreement on further steps to improve the functioning of the organization.

Thank you.