



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MS. LOURDES PEREIRA SOTOMAYOR, FIRST SECRETARY,
PERMANENT MISSION OF ECUADOR TO THE UNITED NATIONS, ON AGENDA ITEM
138: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS,
AT THE MAIN PART OF THE SEVENTY-SECOND SESSION OF THE FIFTH
COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY
(New York, 13 October 2017)**

Mr. 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 would like to thank Ms. Jan Beagle, Under-Secretary-General for Management, for her presentation on the financial situation of the Organisation made on Friday, 6 October 2017 and updates provided this morning. The Group also wishes to express its appreciation to the Office of Contributions for the updated information on the assessments of Member States and its continued support to Member States.

Mr. Chair,

3. The Group of 77 and China takes note with concern that the financial situation of the Organisation could become dire in the final months of 2017 as regular budget cash is currently exhausted and reserves are at low levels. The Group also express their concern because of the levels of the Working Capital Fund and Special Account which amount to \$351 million with the amount in question sufficing for only six (6) weeks of regular budget operation. In that context, the Group looks forward to receive the reform proposal on the level of the Working Capital Fund that will be addressed by the Secretary-General.

4. The Group reiterates the need for ensuring financial stability in order for the Organisation to function effectively and to be able to fully implement all its mandates and activities and asks all stakeholders to remain committed to upholding our legal obligation of bearing the expenses of the Organisation

5. In this regard, the Group wishes to express its appreciation to all the Member States who have made real efforts to reduce their outstanding contributions. As well, Member States are encouraged to take urgent steps to address non-payment and settle their contributions to the regular budget to avert consequences that could gravely impact on the work of the Organisation.

6. The Group notes that the USG has chosen to withhold information from this year's presentation. This sets an unhealthy precedent and runs counter to the Secretary-General's commitment to transparency to Member States. The Group calls for full transparency, honesty, and accountability on the financial health of the Organisation so that Member States can understand why the United Nations continues to face financial difficulties, especially as we discuss the financial future of the Organisation and the UN's ability to implement the mandates that it has been entrusted with.

7. The Group notes that the USG has chosen to withhold information from this year's presentation. This sets an unhealthy precedent and runs counter to the Secretary-General's commitment to transparency to Member States. The Group calls for full transparency, honesty and accountability on the financial health of the Organisation so that Member States can understand why the United Nations continues to face financial difficulties, especially as we discuss the financial future of the Organisation and the UN's ability to implement the mandates that it has been entrusted with.

Mr. Chair,

8. The Group recognizes that the changing demand for peacekeeping activities makes it hard to predict financial requirements and thus urges Member States to hold themselves in readiness for such inconstant tendencies.

9. The Group also urges Member States to fulfill their legal obligation of paying their respective share towards peacekeeping in accordance with the provisions of Article 17 of the Charter of the United Nations, to avoid undermining and reversing hard earned gains of peacekeeping operations.

10. In taking cognizance of the fact that many troop contributing countries are also developing countries who are not in a position to sustain their troop commitments and maintain their equipment on their own for extended periods of time, the Group enjoins the Secretariat to continue its efforts in expeditiously processing payments for TCCs and COE with a view to continuing significantly reducing the outstanding amounts.

Mr. Chair,

11. The Group reaffirms its legal obligations in accordance with the Charter of the United Nations and urges all Member States to pay their assessed contributions in full, on time and without conditions, however recognising the need to extend sympathetic understanding to those temporarily unable to meet their financial obligations, as a consequence of genuine economic difficulties.

12. The Group of 77 and China continues to strongly reject all unilateral coercive measures contrary to international law, which obstruct, and sometimes impede, payments from members of our Group to the different budgets of the Organization.

13. The Group remains concerned about policies of withholding financial obligations due to the United Nations to create linkages to the reform of the United Nations. Withholding funds for approved budgets creates artificial political leverage that undermines the established principles of governance of the United Nations on the basis of the sovereign equality of Member States.

Mr. Chairman,

14. I wish to assure that the Group of 77 and China will participate constructively in a collective and inclusive effort toward resolving the perennial financial difficulties of the Organisation.

I thank you, Mr. Chair.