

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

by

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## Agenda item 137 Improving the financial situation of the United Nations

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#### Mr. Chair,

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

The Candidate Countries the Republic of North Macedonia<sup>\*</sup>, Montenegro<sup>\*</sup>, Serbia<sup>\*</sup> and Albania<sup>\*</sup>, 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.

At the outset, let me thank Under-Secretary-General Catherine Pollard for her presentation on 11 October on the financial situation of the United Nations and on how Member States have fulfilled their obligation under the United Nations Charter to contribute to the Organisation's financial expenses.

Let me reiterate our profound concerns as the United Nations its confronting the worst liquidity crisis in recent years. The downward spiral of the regular budget whereby each year the situation becomes more critical than the one before is highly worrying. The Under-Secretary General made it clear that the cash deficits occur each time earlier in the year, linger longer and run deeper. This course of direction is doubtlessly the wrong one. Several times this year the Secretary-General has sounded the alarm. Presently, the leadership of the Organisation is forced to having to focus on liquidity management and daily cash survival. Instead, it should be focusing on mandate delivery and SDG implementation. The current situation risks undermining the effectiveness of this organisation, as it has been pointed out several times recently. We therefore urge the Member States with pending assessments to address this matter as one of utmost priorities. We also wish to reiterate the importance of all Member States honouring their financial obligations by paying their assessments in full, in due time and without conditions.

We welcome the efforts of the Secretariat to manage its resources more efficiently and effectively in order to keep mandate implementation on track. We encourage you to continue looking for further efficiencies and identify concrete reform benefits. We also note that in June this year the Member States of the European Union stood ready to adopt measures that would allow the Secretary-General to manage his budgets more strategically, while at the same time maintaining the highest standards of transparency and accountability.

We regret that no consensus could be found on the proposals that relate to the regular budget. Proposals that will lead to a budget that is more nimble and more strategic should be a goal on its own, beyond their expected positive impact on the overall cash situation. Many aspects of the current budget process hamper effective management and worsen an already difficult cash situation. We also call upon all groups and member states to keep the functioning of the working capital fund, as well as the functioning of other reserve funds, under close review, to ensure that they are "fit-for-purpose" in the current context.

On peacekeeping operations, we note with concern the increase of unpaid assessments and the decrease of total cash available. Here also, we urge Member States to fulfil their financial obligations and allow the Organisation to deliver on its mandates in time when it is called upon more than ever to respond to emerging challenges. We are glad to hear that,

<sup>&</sup>lt;sup>\*</sup> The Republic of North Macedonia, Montenegro, Serbia and Albania continue to be part of the Stabilisation and Association Process.

unsurprisingly, the decisions made in June 2019 do contribute to a more predictable cash situation for peacekeeping. These measures, of course, positively impact missions in the field, their mandates and the troops. We understand that timely payments of uniformed personnel have improved. We believe that mandate delivery should always be our first priority. We recall that the Declaration of Shared Commitments, the so-called Action for Peacekeeping, has reached more than 150 endorsements. We do believe that this shared roadmap for strengthening peacekeeping also applies directly to our work in the Fifth Committee, as sustainable financing, performance and accountability are integral parts of effective peacekeeping.

Finally, regarding international tribunals, we note that, while the current cash situation is positive, the final outcome of 2019 will depend on Member States continuing to honour their financial obligations. This is why we are strongly encouraging everyone to do so.

Mr. Chair,

As strong defenders of the principles of multilateralism, we would like to reiterate our commitment to providing the necessary resources to the Organisation to fulfil its mandates. Ensuring the financial health of the organisation is a shared responsibility: a partnership between Member States and the organisation. This shared responsibility is fundamental for the ability of the United Nations to respond to its numerous mandates and missions in the most effective and efficient way. Encouraging the sound and stable financial footing and management of the United Nations and supporting the Secretary-General in his reforms is therefore one of the priorities of the EU Member States as the largest collective financial contributor to the United Nations.

We therefore, once again, call upon all Member States to pay their assessed contributions in full, as soon as possible and without conditions.

Thank you.