



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MS.  
MEGAYLA AUSTIN, MINISTER COUNSELLOR OF THE PERMANENT MISSION  
OF THE COOPERATIVE REPUBLIC OF GUYANA TO THE UNITED NATIONS  
ON AGENDA ITEM 137: IMPROVING THE FINANCIAL SITUATION OF THE  
UNITED NATIONS  
AT THE SECOND RESUMED PART OF THE SEVENTY-FOURTH SESSION OF  
THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY  
(NEW YORK, 14TH MAY 2020)**

Mr. Chair,

1. I have the honor to deliver this statement on behalf of the Group of 77 and China on agenda item 137: Improving the financial situation of the United Nations.
2. The Group thanks Ms. Catherine Pollard, Under Secretary General for DMSPC, for the presentation on the financial situation of the Organization made on May 7, 2020, and for the updates provided today. 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, especially in these very difficult times for us all. We wish to acknowledge the effort of making this presentation on the financial situation a more comprehensive one.

Mr. Chair,

3. The Group of 77 and China is heartened to see some improvement in the overall cash position of the Organization, by a total of 487 million dollars as compared to the same period in 2019. This is very good news despite the fact that compared to previous years, fewer Member States have fulfilled their payments in full to the Organization for the regular budget and peacekeeping operations.
4. We appreciate the efforts by the Secretariat at large to implement cost saving measures since January 2019, which have helped in the improvement of the cash position. However, this recognition does not come without concern that program delivery might be impacted, and not only because of a temporary suspension of all hiring for regular budget operations. Finance serves as a foundation and an important element underpinning the UN governance. The Group is fully aware that the Organization cannot do more with fewer resources. Nevertheless, the full and effective delivery of mandates remains all the more crucial against the backdrop of the COVID-19 pandemic.

5. We are pleased to learn that due to the implementation of the cash pool mechanism for Peacekeeping Operations, there has been no need as yet to borrow from the accounts of closed peacekeeping missions to cover the cash shortfalls in both the peacekeeping and regular budget operations. We wish to recognize the efforts made by those Member States who have voluntarily advanced their payments to several Peacekeeping Operations. Though we understand the difficult situation our Organization has faced and will continue to face now in light of the COVID-19 pandemic, the Group reiterates that borrowing from the closed peacekeeping missions is not good budgetary practice, nor is it sustainable. It is merely a short-term solution that breeds complacency over the existence of an artificial liquidity buffer.
6. We are further encouraged to see implementation of resolution 73/307, specifically the commitment of meeting obligations to Troop and Police Contributing Countries as expeditiously as possible. We appreciate the efforts at present to keep up with these reimbursements since most of these countries are developing countries and members of our Group. It is unfair for developing countries that are in relatively more challenging financial situations to continue subsidizing peacekeeping operations that have been mandated by the Security Council, which includes a permanent member that has the capacity to pay but historically has chosen to deliberately withhold payments.

Mr. Chair,

7. The Group has paid close attention to the letters that the Secretary General circulated earlier this year, as well as to USG Pollard's presentation, and we realize that despite the good news at the beginning of 2020, a deficit for the regular budget will happen again later in the year if payments do not continue to come in. It is worrisome that at the same time that the cash position has improved, the outstanding contributions compared to 2019 have also increased by 261 million dollars.
8. The Group reiterates its appreciation to Member States who have made efforts to reduce their outstanding contributions, if not in full at least partially. Unfortunately, trends in this regard are not reassuring, especially if we consider the severe impact the COVID-19 pandemic is having on all of us, especially on developing countries who now face a new obstacle to their already difficult situation in complying with their financial obligations to the Organization. In these dark times, we continue to empathize with Member States who are genuinely unable to meet their financial obligations for reasons beyond their control. We call for solidarity and cooperation so that we can overcome this situation and continue to support our Organization.

9. Notwithstanding this, we firmly believe that any deliberate and unilateral withholding of contributions by Member States that do have the capacity to pay is unacceptable. It is especially egregious in the current circumstances. This is particularly so for Member States that have exhibited repeated patterns of withholding payment for political reasons, while still clinging on to their special privileges. Although the Secretary General has repeatedly called for Member States to pay their dues on time as of today, almost two-thirds of the total unpaid assessments owed to the United Nations are attributed to a single Member State that continues to cling on to its special privileges, despite already benefiting from a fundamental distortion in the determination of how the Organization is financed. The arrears of the largest debtor have increased by around 350 million dollars in regular budget and peacekeeping assessments as compared to the same period in 2019.

Mr. Chair,

10. Cognizant of the global emergency we all currently face, the Group reiterates its call to all Member States that have the capacity to do so to pay their assessments in full, on time and without conditions. Please be assured the Group will participate constructively in any efforts towards resolving the financial difficulties of the Organization.

I thank you, Mr. Chair.