



Statement on behalf of the Member States of the European Union

by

**Thibault Camelli
Counsellor
Delegation of the European Union to the United Nations**

**75th Session of the General Assembly
Fifth Committee
Main Session**

Item 143. Improving the financial situation of the United Nations

**United Nations
New York
16 October 2020**

Mr. Chair,

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

The Candidate Countries Turkey, the 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.

At the outset, I would like to thank Under-Secretary-General Catherine Pollard for her presentation on 8 October on the financial situation of the United Nations and on how Member States have fulfilled their contribution to the Organisation's financial expenses obligation under the United Nations Charter.

In light of the challenges raised by the COVID-19 pandemic, we commend the efforts of the Secretary-General to manage the Organization's resources more efficiently and effectively in order to avoid any situation of disruption of activities. However, the Under-Secretary General underlined that despite the numerous measures undertaken to reduce expenditures and the efforts to align them with available liquidity, the Organization will exhaust all regular budget liquidity reserves.

Let me reiterate our profound concerns. This year again, the United Nations is facing severe liquidity issues, further straining the capacity of the Organization to fulfil its mandates. Presently, programme managers are forced to operate in a context of income unpredictability where their decisions are influenced more by the availability of cash rather than strategic direction, which ultimately severely hampers the Organization's ability to fulfil its mandates. The Secretary-General has already sounded the alarm several times, notably so on Monday when he

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

presented his programme budget for 2021. We wish to reiterate the importance of all Member States honouring their financial obligations and paying their assessments in full, in time and without conditions and urge those with pending assessments to address this matter of utmost priority.

Many aspects of the current budgetary and financial practices continue to hamper effective management and hinder an already difficult cash situation. The Member States of the European Union therefore reiterate their support to adopt measures that would allow the Secretary-General to manage both his budgets and his cash more strategically, while at the same time maintaining the highest standards of transparency and accountability. We regret that this Committee could not find consensus on the proposals made last year and consider that it is the responsibility of this Committee to keep exploring any possible realistic measures that could help handle this very detrimental situation. We also call upon the Committee to keep under close review the functioning of all reserve and complementary mechanisms such as the working capital fund, in order to ensure that they are "fit-for-purpose" in the current context.

On peacekeeping operations, we note with great satisfaction the effects of the measures adopted last year, which improve liquidity management and cash predictability and have a positive impact on missions in the field, their mandates and the troops. We also commend the 38 countries that paid their full contribution, one third of which are from the European Union, thus providing the Organization with the financial support and income predictability necessary to carry out its mandates. Sustainable financing, performance and accountability are integral parts of effective peacekeeping. Timely payments of uniformed personnel have improved. We regret however that the closed peacekeeping operations cannot yet be liquidated because of the necessity to maintain their available cash as a buffer for Regular budget.

Finally, regarding international tribunals, we note that, while the current cash situation is improving compared to 2019, 58 Member States need to honour their financial obligations: we are strongly encouraging them 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 so it can fulfil its mandates. Ensuring the financial health of the organisation is a shared responsibility, fundamental for the ability of the United Nations to respond to its numerous mandates and missions in the most effective and efficient way. As the largest collective financial contributors to the United Nations, the Member States of the European Union continue to support sound and stable financial footing for the United Nations and to reiterate our support to the Secretary-General in his reforms agenda.

Thank you.