



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY MS. SONDR CHEONG, FIRST SECRETARY OF THE PERMANENT
MISSION OF THE COOPERATIVE REPUBLIC OF GUYANA TO THE UNITED
NATIONS, ON AGENDA ITEM 143: IMPROVING THE FINANCIAL SITUATION
OF THE UNITED NATIONS, AT THE FIFTH COMMITTEE DURING THE MAIN
PART OF THE SEVENTY-FIFTH SESSION OF THE UNITED NATIONS
GENERAL ASSEMBLY**

(New York, 16 October 2020)

Mr. Chair,

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 143: Improving the Financial Situation of the United Nations.

2. The Group thanks Ms. Catherine Pollard, Under-Secretary-General for Management Strategy, Policy and Compliance, for the presentation on the financial situation of the Organization made on October 8, 2020 and for the updates provided. 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.

Mr. Chair,

3. We are discussing the financial situation of the Organization at a difficult time. COVID-19 has disrupted our lives, ravaged our economies, and worsened poverty and wellbeing all around the world. We need to work together and reaffirm our commitment to a rules-based multilateral system, with the UN at its core, to defeat the gravest challenge of our time. The full and effective delivery of mandates remains all the more crucial against the backdrop of the COVID-19 pandemic.

4. The Group continues to be concerned with the ongoing liquidity issues in the regular budget. While the cash position has improved slightly as compared to the previous years, we should not be complacent as this can be attributed to austerity measures such as the hiring freeze, and lower spending due to COVID-19. The Group notes with deep concern that several activities have been postponed or cancelled. Budget management must be driven by programme delivery and not based on liquidity. The Organization cannot do more with fewer resources, especially in these times.

5. The Group also notes that there may still be a need to borrow from the accounts of closed peacekeeping missions by the end of the year to cover the regular budget cash shortfalls. We reiterate that borrowing from the closed peacekeeping missions is neither a 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. The Group is gravely concerned that as of 30 September 2020, \$357 million was owed to Member States for troops and formed police units, compared to \$6 million last year. 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 has chosen to deliberately withhold payments for political reasons.

7. It is especially concerning that the same member currently owes two-thirds of all outstanding assessments to the UN, despite having the capacity to pay. This is especially egregious in the current circumstances. Despite already benefiting from a fundamental distortion in the determination of how the Organization is financed, this member state continues to deliberately and unilaterally withhold its contributions. It is unacceptable that this member state clings on to its special privileges, while slowly bankrupting the UN and the multilateral system.

Mr. Chair,

8. The Group reiterates that ensuring financial stability is critical for the Organization to function effectively and fully implement its mandates. The Group wishes to express its appreciation to Member States who have made real efforts to reduce their outstanding contributions, despite the impact of the pandemic on their economies. We continue to empathize with Member States who are genuinely unable to meet their financial obligations for reasons beyond their control. The Group also urges Member States, especially those that have the capacity to do so, to settle their arrears in full, on time, and without conditions, so as to ensure the financial stability of the United Nations. We must not unfairly shift the burden to developing countries that have relatively less capacity to pay.

9. The Group also wishes to reaffirm that all actions should be taken in order to facilitate the payments of assessed contributions of Member States, and that Member States should not be prevented from honoring their legal and financial obligations to the Organization. This is especially pertinent when the Organization is experiencing persistent liquidity challenges.

Mr. Chair,

10. Cognizant of the global emergency we 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 that the Group will participate constructively in any efforts towards resolving the financial difficulties of the Organization.

I thank you.

.