



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
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MISSION OF THE REPUBLIC OF GUINEA TO THE UNITED NATIONS ON
AGENDA ITEM 140: IMPROVING THE FINANCIAL SITUATION OF THE
UNITED NATIONS, AT THE SEVENTY-SIXTH MAIN SESSION OF THE FIFTH
COMMITTEE OF THE UN GENERAL ASSEMBLY
(New York, 28 October 2021)**

Mr. Chair,

1. I have the honor to speak on behalf of the Group of 77 and China on agenda item 140: 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 her presentation on the financial situation of the Organization on 19 October, and for the updates provided today. The Group also thanks Mr Chandru Ramanathan, the Controller and Assistant Secretary-General, for his briefing on the management of the liquidity situation on 11 October.

Mr. Chair,

3. The COVID-19 pandemic has brought about much socio-economic disruption, including a sharp contraction to the global economy in 2020. Unfortunately, there will be unequal economic recovery in an unequal world. While some developed countries are already on the road to recovery, developing economies, in particular the Least Developed Countries and Small Island Developing States, are projected to recover at a slower pace due to additional fragilities and vulnerabilities. To enable all member states to recover sustainably, the UN and the multilateral system must be adequately financed.

Mr Chair,

4. Finance serves as a foundation of and an important element underpinning UN governance. To fulfil its mandates, the UN must be funded not only adequately, but also in a predictable manner. In this regard, the Group remains concerned with the ongoing liquidity issues in the regular budget. We acknowledge that the cash position has improved compared to a year ago, due in part to record collections in April 2021, and we thank all Member States that have already paid their assessments.

5. Nevertheless, the unpredictability in the pattern of collections has resulted time and again in extraordinary measures such as the slowdown in hiring and controlled spending, both of which negatively affect mandate delivery. The Group reiterates that budget management must be driven by programme delivery, and not based on available cash on hand. The Group is therefore extremely concerned that more than three-quarters of the current regular budget arrears can be attributed to a single member state. To compound matters, that member state is benefiting from an artificially imposed ceiling on its contributions, that was premised on the unfulfilled clearance of prior arrears. We urge that member state to fulfil its financial and legal obligations to the Organisation without delay. National fiscal cycles should not be used as an excuse for late payments, given the predictability of the UN budget cycle.

Mr Chair,

6. On the peacekeeping front, the Group is encouraged that the measures approved in General Assembly resolution 73/307, namely the cross-borrowing mechanism and the inclusion of the full estimated budget for the entire peacekeeping fiscal year in assessment letters, has facilitated the timelier payment of liabilities to troop and police contributing countries.

7. The ability for the Organisation to settle its liabilities is fully contingent on payments being made to the UN. It is extremely concerning that the same member state that accounts for three-quarters of the regular budget arrears currently owes more than half of all outstanding peacekeeping assessments to the UN as well. Despite already benefiting from a fundamental distortion in the determination of how the Organisation is financed, this member state continues to unilaterally withhold its contributions while still clinging on to its special privileges in the Security Council. We call on member states who are in a position to do so to put their words and commitments into action, and to settle their arrears and pay their assessments in full, on time and without conditions. We also emphasize that developed countries should take on more financial responsibilities to the United Nations.

Mr. Chair,

8. The Group expresses its appreciation to Member States who have made genuine efforts to reduce their outstanding contributions, despite the ongoing impact of the pandemic on their economies. We continue to empathise with Member States who are genuinely unable to meet their financial obligations for reasons beyond their control. 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 or hindered from honoring their legal and financial obligations to the Organisation.

9. Finally, despite bearing an ever-increasing share of the financial burden of the Organisation, the Group remains committed to participate constructively in any efforts towards resolving the financial difficulties of the Organisation. Even though developing countries face major economic challenges, we continue to take our contributions to the UN very seriously. Likewise, we call on our partners to do the same. Otherwise, we will be setting up the Organisation for failure at a time when its success is most imperative.

I thank you.