



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MOHAMED FOUAD, COUNSELLOR, PERMANENT MISSION OF EGYPT TO THE UNITED NATIONS, ON AGENDA ITEM 138: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS, AT THE MAIN PART OF THE SEVENTY-THIRD SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 23 October 2018)**

Madam Chair,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 138: Improving the financial situation of the United Nations.

2. The Group thanks Ms. Jan Beagle, Under-Secretary-General for Management, for her presentation on the financial situation of the Organisation made on Tuesday, 16 October 2018, and the updates provided this morning. 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.

Madam Chair,

3. The Group of 77 and China expresses our serious concern at the precarious cash situation of the Organisation. We note that deficits have become larger and arise earlier in the year, and that the cash shortfall has been covered by borrowing from the accounts of closed peacekeeping missions. This is not good budgetary practice, nor is this sustainable.

4. The Group of 77 and China is also concerned at the persistence of outstanding payments to troop- and police-contributing countries. We note that significant progress has been made in reducing the amounts owed to troop- and police-contributing countries. However, it is unacceptable that the Organisation continues to owe payments to 76 member states, most of which are developing countries. It is deeply ironic that the two countries whom the Organisation owes the largest debts to, are also countries who have paid their assessments in full.

Madam Chair,

5. The Group expresses its appreciation to all Member States who have made real efforts to reduce their outstanding contributions. We are encouraged that as compared to last year, more Member States have paid their assessments in full. However, despite this positive development, the United Nations faces greater uncertainty this year than in previous years. The Group empathizes with Member States who are unable to meet their financial obligations for reasons beyond their control. We also commend Member States who have made efforts to pay their assessed contributions despite facing difficulties at home.

6. We firmly believe that the non-payment of assessed contributions, and indeed, the willful and unilateral withholding of contributions, has led us to this sorry state. Over half of all monies owed to the United Nations can be attributed to one Member State. It is unacceptable that year after year, we see Member States who cling to their special privileges, call for limits to what they pay, but still do not honour their financial commitments to the Organisation. Those who claim special responsibilities must also live up to those responsibilities, in full, on time, and without conditions.

Madam Chair,

7. The Group reiterates the need for ensuring financial stability in order for the Organisation to function effectively, and to be able to fully implement all its mandates. We ask all stakeholders to remain committed to upholding our legal obligation to bear the expenses of the United Nations. The loudest and most insistent voices for reform must also enable the Secretary-General to implement reform by paying their assessed contributions, in full, on time, and without conditions. Should these countries face difficulties in paying their dues, the Group encourages these Member States to consider multi-year payment plans as an option to meet their financial obligations to the Organisation.

8. In closing, Madam Chair, let me assure you that the Group of 77 and China will participate constructively in a collective and inclusive effort towards resolving the perennial financial difficulties of the Organisation.

I thank you, Madam Chair.