



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR LYLE DAVIDSON, COUNSELLOR AT THE PERMANENT MISSION OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS, ON AGENDA ITEM 134: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS, AT THE SECOND RESUMED PART OF THE SIXTY-NINTH SESSION OF THE FIFTH COMMITTEE OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 14 May 2015)

Mr Chairman,

1. I have the honour to speak on behalf of the Group of 77 and China on agenda item 134 : Improving the financial situation of the United Nations.
2. The Group thanks Mr Yukio Takasu for presenting the report of the Secretary-General on the financial situation of the United Nations. The Group also wishes to express its appreciation to the Office of Contributions for the updated information on the assessments for Member States.
3. Member States traditionally use this opportunity to reflect on our collective efforts to ensure the financial health of the Organisation, as well as to reaffirm our commitment to meeting our legal obligation to bear the expenses of the Organisation. The Group of 77 and China believes that this reflection has become even more critical - not only are we on the eve of the 70th Session of the United Nations General Assembly, but we are also preparing for major commitments, such as Financing for Development and the Post 2015 Development Agenda.

Mr Chairman,

4. The Group remains concerned about policies of withholding financial obligations due to the United Nations to create linkages to the reform of the United Nations. Withholding funds for approved budgets creates artificial political leverage that undermines the established principles of governance of the United Nations on the basis of the sovereign equality of Member States.
5. In the statement made during the introduction of the report, it was mentioned that the financial indicators are "generally sound and positive", which is encouraging to the Group. However, the improvements shown during the past months are overshadowed by indications that significant amounts are still owed to the Organisation and that the United Nations has a long way to go before it can in all honesty receive a "clean bill of financial health".
6. It is concerning that unpaid assessments were higher for the regular budget and peacekeeping operations compared to the position in October 2014. However, the Group is positive that this situation will improve as it is recognised that not all Member States have national financial cycles aligned with that of the United Nations.
7. The Group is perturbed that the level of outstanding payments to Member States, as it relates to troop costs and contingent owned equipment, is higher. However, it appreciates the efforts made by the Secretariat to reduce these amounts at the end of the first quarter of 2015. Since many troop contributing countries are also developing countries, they are not in a position to sustain their troop commitments and maintain their equipment on their own for extended periods of time. This represents a major concern and priority for the Group and we wish to see improved timelines for

this process.

8. The Group has also noted growing importance attached to Peace and Security, resulting in substantial increases in peacekeeping budgets. However, the other responsibilities of the United Nations are equally important and therefore, the Group would like to see equal emphasis for funding such activities as mandated by the General Assembly.

Mr Chairman,

9. The Group recognises the need for ensuring financial stability in order for the Organisation to function effectively and to be able to fully implement all its mandates and activities. The Group reaffirms its legal obligations in accordance with the Charter of the United Nations. While recognising the need to extend sympathetic understanding to those temporarily unable to meet their financial obligations, as a consequence of genuine economic difficulties, the Group urges all Member States to pay their assessed contributions in full, on time and without conditions.

10. The Group wishes to express its appreciation to all the Member States who have made real efforts to reduce their outstanding contributions. We trust that these efforts will continue as we approach the 70th Session of the United Nations General Assembly, also taking into consideration the major undertakings for this particular Session.

11. The Group needs to receive reassurances from the Secretariat that the implementation of the programmes and activities of the United Nations that are funded from the regular budget will not be delayed or scaled down due to the non-payment of assessed contributions.

Mr Chairman,

12. I wish to reiterate the fact that the Group of 77 and China will continue to constructively participate in the collective efforts towards resolving the persistent financial difficulties of this Organisation.

I thank you, Mr Chairman.