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## Fifth Committee

### Summary record of the 13th meeting

Held at Headquarters, New York, on Friday, 14 May 2021, at 3 p.m.

*Chair:* Mr. Amorín . . . . . (Uruguay)  
*Chair of the Advisory Committee on Administrative  
and Budgetary Questions:* Mr. Bachar Bong

## Contents

Agenda item 143: Improving the financial situation of the United Nations  
(*continued*)

Agenda item 169: Financing of the African Union-United Nations Hybrid Operation  
in Darfur (*continued*)

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*The meeting was called to order at 3.15 p.m.*

**Agenda item 143: Improving the financial situation of the United Nations** (*continued*) (A/75/387/Add.1)

1. **Ms. Pollard** (Under-Secretary-General for Management Strategy, Policy and Compliance) said that, since the presentation on the financial situation of the United Nations made on 7 May 2021 during the Committee's informal consultations, payments received had brought to 101 the number of Member States that had paid their regular budget assessments in full; to 58 the number that had paid their peacekeeping assessments in full; to 79 the number that had paid their assessments for the international tribunals in full; and to 52 the number that had paid their assessments in full for all categories. In addition, regular-budget contributions had been received from two Member States, peacekeeping contributions had been received from two more Member States and contributions for the international tribunals had been received from one Member State.

2. **Mr. Diallo** (Guinea), speaking on behalf of the Group of 77 and China, said that multilateralism was not an option but a necessity, in particular during global crises such as the coronavirus (COVID-19) pandemic. Adequate and predictable funding must be provided to the United Nations to enable it to fulfil its mandates. The Group remained concerned about the liquidity problems affecting the regular budget. Although the regular budget cash position had improved slightly owing to the receipt of a record level of contributions in April 2021, that improvement could not be cause for complacency, as it was attributable to austerity measures such as a slowdown in hiring and controlled spending as a result of the pandemic. Budget management must be based on programme delivery rather than available cash.

3. The Group was concerned that rate of implementation of the regular budget had consistently fallen below the level of approved resources over the past decade. It was also concerned that, by the end of 2021, cash from the accounts of closed peacekeeping missions might again have to be used to cover the shortfalls affecting the regular budget, in part owing to the persistent arrears under that budget, arrears which had reached a record high at the beginning of the year. While the Group was encouraged that the level of contributions received appeared likely to exceed the level of contributions assessed for the regular budget for 2021, it urged Member States to continue to pay their assessments in full, on time and without conditions, in order to enable the United Nations to fully implement its mandates.

4. With regard to peacekeeping, it was encouraging that the cross-borrowing mechanism approved by the General Assembly in its resolution 73/307 had facilitated the timelier payment of liabilities to troop- and police-contributing countries. As at 30 April 2021, outstanding payments to such countries had amounted to \$65 million and were confined to just one mission. However, even one mission affected by such arrears was one too many.

5. The Organization's ability to settle its liabilities was fully contingent on the payment of assessed contributions. It was a matter of great concern, particularly in view of the current global circumstances, that one Member State owed approximately two thirds of all outstanding assessments to the United Nations, despite having the capacity to pay. Furthermore, despite already benefiting from a fundamental distortion of the method for determining how the Organization was financed, that Member State unilaterally withheld its contributions for political reasons, while continuing to cling to its special privileges in the Security Council. Member States that were in a position to do so should translate their words into action and pay their assessments in full, on time and without conditions.

6. The Organization's financial stability was critical to its effective operation and to the fulfilment of its mandates. The Group expressed its appreciation to Member States that had made efforts to reduce their outstanding contributions, despite the impact of the COVID-19 pandemic on their economies. It was also sympathetic to Member States that were unable to meet their financial obligations for reasons beyond their control. Particularly at a time of persistent liquidity challenges, every effort should be made to assist Member States in paying their assessed contributions, and Member States should not be prevented from fulfilling their legal and financial obligations to the Organization. Despite bearing an ever-increasing share of the Organization's expenses, the Group's members were committed to participating constructively in efforts to resolve the Organization's financial difficulties and called on their partners to do the same.

7. **Mr. Rae** (Canada), speaking also on behalf of Australia and New Zealand, said that, as the world continued to combat the COVID-19 pandemic, the United Nations remained the only truly universal international organization capable of addressing challenges that transcended national borders. Peacekeeping operations were the most visible aspect of the Organization's global presence. To enable those operations to fulfil their mandates, all Member States must pay the financial contributions that stemmed from their collective decisions. At the end of 2020, the arrears

under the regular budget had reached their highest level in over a decade. While Australia, Canada and New Zealand welcomed the modest improvement in the level of assessed contributions received in recent months, they remained concerned at the overall financial situation of the Organization. The United Nations was currently being forced to conduct its operations under the regular and peacekeeping budgets on the basis of available liquidity rather than strategic direction, an unsustainable practice. Assessed contributions were not optional; rather, they were a legal obligation of all Member States. Moreover, Member States had a moral responsibility to ensure that the United Nations had adequate resources to implement its mandates, in particular under the present global circumstances.

8. Although the pandemic situation in New York was improving, many parts of the world continued to suffer the worst effects of COVID-19. As the shift from vaccine preparedness to vaccine distribution and administration progressed, global solidarity was more essential than ever. The three delegations' long-standing record of paying their assessments in full, on time and without conditions indicated their commitment to the United Nations. Budget implementation should be based on the resources approved by Member States rather than on available cash. All Member States should pay their assessed contributions in full and on time, and Member States with arrears should address that situation as a matter of priority.

9. **Mr. Teo** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that ASEAN remained concerned about the financial situation of the United Nations, in particular the continued unpredictability with regard to payments of assessed contributions amid the COVID-19 pandemic. It was nevertheless encouraging that, compared with the same date in 2020, the number of Member States having paid in full their assessments for the regular budget, the peacekeeping budget and the international tribunals had increased. ASEAN commended Member States that had fulfilled their financial obligations to the Organization and hoped that, in the future, full and timely payments would be the norm rather than the exception.

10. However, the current level of unpaid assessments was high enough to pose serious liquidity challenges, in particular in the third quarter of the year, when the level of contributions received was typically at its lowest. In recent years, the United Nations had had to take drastic measures to manage the liquidity situation; the Organization should not be perpetually operating in a cash-conservation mode, as that seriously undermined mandate implementation. Although the liquidity situation with respect to the peacekeeping budget had

improved as a result of the measures approved by the General Assembly in its resolution 73/307, including the management of the cash balances of all active peacekeeping operations as a pool and the advance collection of peacekeeping assessments, such measures merely alleviated the symptoms, rather than addressing the root cause, of the challenges faced.

11. The simplest and most effective solution remained the payment by all Member States of their assessed contributions in full, on time and without conditions. That was a legal obligation enshrined in the Charter of the United Nations and also a moral obligation for Member States, which must provide the Secretary-General with adequate resources to implement the mandates they approved. ASEAN sympathized with Member States that faced genuine difficulties in paying their assessments owing to factors beyond their control and commended Member States that endeavoured to do so despite such difficulties. Notwithstanding the increase in ASEAN member States' share in the amounts assessed, they remained strongly committed to meeting their financial obligations to the Organization. They called on their fellow Member States to reaffirm their commitment to the United Nations and to multilateralism.

12. **Mr. Camelli** (Representative of the European Union, in its capacity as observer), speaking also on behalf of the candidate countries Albania, Montenegro, North Macedonia and Serbia; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Georgia, Monaco, the Republic of Moldova and Ukraine, said that, despite the efforts made to manage the Organization's liquidity challenges, the cash situation remained a matter of great concern. In 2018, a cash deficit in the regular budget had first been recorded in May. In 2019, despite the numerous cash-conservation measures taken, the Organization had had to borrow from the liquidity reserves for the first time in July, and the deficit had reached a record \$522 million in December. In 2020, as a result of stringent cash-conservation measures, such as the suspension of all hiring for regular budget operations, the continued scaling down of non-post expenditure and the postponement of payments to troop- and police-contributing countries, initial borrowing had been delayed until September. Although the measures taken to control expenditure had proven critical in managing liquidity shortages, he was concerned that they could prevent the Organization from fully implementing its mandates.

13. Addressing the financial situation of the United Nations was a shared responsibility of Member States and the Organization. He was proud that, as of the

beginning of April 2021, the States members of the European Union, whose collective contribution accounted for 24 per cent of overall assessments, had all paid their regular budget contributions for 2021 in full. Moreover, States members of the European Union had accounted for nearly half of all Member States that had paid their peacekeeping assessments in full as at 30 April 2021, and their collective contribution as at that date had accounted for 20.15 per cent of all peacekeeping contributions assessed for 2021. He was grateful to those Member States that had fulfilled their obligations to the Organization, while noting with regret that not all Member States had done so.

14. The unpredictability of payment of assessed contributions and the delays in the payment of a large proportion of assessments until the final quarter of each year, factors which had been exacerbated by the COVID-19 pandemic, were undermining the Organization's ability to implement its mandates and respond to emerging crises in a timely manner. Member States with pending assessments should address that situation as a matter of priority, and all Member States should pay their assessments in full, on time and without conditions. He hoped that the improvements made in liquidity management and mandate implementation as a result of the positive trend in the payment of contributions during the first four months of 2021 would motivate the entire United Nations membership to continue that trend. The basis of the challenges faced was clear; arguing about timing and engaging in finger-pointing would not help to address the root causes of those challenges or lead to improvement. The European Union and its member States were determined to ensure the full implementation of all mandates entrusted to the United Nations. It was the responsibility of the Fifth Committee to guarantee that the Organization had the sustainable funding it required to fulfil its mandates.

15. The measures approved by the General Assembly in its resolution [73/307](#), such as the introduction of a "cash pool" mechanism for active peacekeeping operations and the issuance of assessment letters inviting Member States to pay peacekeeping contributions for the full, 12-month budget period, had helped to partially alleviate the liquidity challenges affecting peacekeeping operations. However, it was regrettable that only a partial solution had been found to the problems identified in relation to peacekeeping budgets and that no consensus had been reached on the proposals relating to the regular budget. As a result, in order to cover the shortfalls affecting the regular budget, the Secretary-General had consistently resorted to borrowing from the accounts of closed peacekeeping operations, hence suspending the return of credits to

Member States. He had also delayed payments to troop- and police-contributing countries, a situation that must be rectified in recognition of the service and dedication of United Nations peacekeepers.

16. The European Union and its member States encouraged the Secretary-General to continue his efforts to manage resources more efficiently and effectively, while calling on Member States to reconsider the proposals presented at the seventy-third session of the General Assembly. At the second parts of the resumed seventy-third and seventy-fourth sessions, the European Union had stood ready to adopt measures that would allow the Secretary-General to manage his budgets more strategically while maintaining the highest standards of transparency and accountability; at the main part of the seventy-fifth session, during the deliberations relating to the regular budget, the European Union had put forward additional proposals to achieve that goal. The European Union and its member States would continue to support any measures and proposals aimed at providing the Secretary-General with the tools required to mitigate the current cash management challenges and formulate budgets effectively and strategically. In view of the current global challenges, the Organization must have the tools and resources necessary to implement its mandates effectively and flexibly.

17. **Mr. Ammann** (Switzerland), speaking also on behalf of Liechtenstein, said that the financial situation of the United Nations remained a matter of concern. Although the liquidity situation was improving, the persistent and alarming trend of uneven payments of regular budget contributions throughout the year and from year to year required prudent cash management by the United Nations in order to ensure that operations were not undermined during the year. Although necessary, the allocation of resources and prioritization of activities by the Secretariat weakened Member States' oversight over the implementation of the Organization's mandates.

18. As the COVID-19 pandemic raged on and countless people continued to rely on United Nations support in combating the virus, the availability of adequate financial resources was particularly important. Only multilateral action, together with a United Nations capable of implementing the mandates entrusted to it by its members, would enable the international community to address the challenges it faced and protect the most vulnerable. The two delegations welcomed the enhanced flexibility granted to the Secretary-General in managing the Organization's budgets as a result of the measures introduced in 2020. Member States that had not yet done so should pay their contributions in full and on time in order to ensure the continuation of United Nations

operations and enable the Controller to make more reliable predictions. For their part, Switzerland and Liechtenstein would continue to fulfil their financial obligations to the Organization on time and in full.

19. **Mr. Traore** (Mali), speaking on behalf of the Group of African States, said that, in the light of the updated information provided by the Under-Secretary-General for Management Strategy, Policy and Compliance, the Group reiterated its gratitude to Member States, including developing countries and, in particular African States, that had endeavoured to fulfil their financial obligations despite the challenges they faced. While the Group was pleased that 76 per cent of total assessments owed under the regular budget for 2021 had been received by the end of April, it remained concerned at the liquidity challenges affecting the regular budget, which had consistently caused cash flow problems in previous years. The Group was particularly concerned that 2020 had ended with an unprecedented level of unpaid regular budget assessments, amounting to \$808 million. It was untenable that, owing to the severe liquidity crisis, the Organization had had to borrow from the Working Capital Fund, the Special Account and the accounts of closed peacekeeping missions for 10 out of 24 months during 2019 and 2020; that situation must not become the norm. While commending the Secretariat for the austerity measures that it had established to improve the financial position of the United Nations, the Group was concerned that those measures were undermining mandate fulfilment. The suspension of hiring for regular budget operations, in particular, was depriving the Organization of much-needed human resources.

20. The positive trend in the cash balances for peacekeeping operations was encouraging. The decision taken by the General Assembly in its resolution 73/307 to remove the restriction on the cross-borrowing of cash for active missions, as well as the assessment and collection of contributions for non-mandated periods and the management of cash for peacekeeping operations as a pool, had improved the overall liquidity of active peacekeeping operations. It was particularly encouraging that payments for troop- and police-contributing countries were current for all active missions except the African Union-United Nations Hybrid Operation in Darfur (UNAMID); all outstanding payments should be made as soon as possible. A permanent solution to the liquidity situation affecting the regular budget must be found, as borrowing from active and closed peacekeeping operations was unsustainable and adversely affected mandate implementation. The Group sympathized with Member States, in particular developing countries, including

African States, that faced genuine difficulties in paying their assessments owing to factors beyond their control, especially in view of the impact of the pandemic on their economies.

21. **Mr. Pedroso Cuesta** (Cuba) said that the impact of the COVID-19 pandemic on the economies of Member States, in particular developing countries, was worsening, and a full economic recovery could take an indefinite number of years.

22. He noted that, as a result of the cost-saving measures taken by the Secretariat and the payment of contributions by most Member States, the cash deficit in the regular budget at the end of 2020 had been \$186 million lower than at the end of 2019. While cost savings were necessary, they should not come at the expense of the implementation of the activities approved by Member States. So far in 2021, thanks to the deficit reduction, the reserves from the Working Capital Fund and the Special Account, as well as the funds borrowed from the accounts of closed peacekeeping missions, had been replenished more quickly than in previous years. The situation with respect to the unpaid assessments for the international tribunals and peacekeeping operations was also more stable. Moreover, it was encouraging that, as at 30 April 2021, 11 more Member States had paid their regular budget assessments in full and the level of unpaid regular budget contributions was \$379 million lower than at the same date in 2020. Those developments demonstrated the commitment of most Member States to the United Nations; they also showed that reducing the chronic liquidity shortages faced by the Organization depended more on Member States fulfilling their commitments than on modifications to budget methodologies and regulations.

23. Nevertheless, there could be no assurance that those relative improvements would prevent the recurrence of severe cash deficits in the regular budget; only the payment of contributions in full, on time and without conditions could prevent such a situation and preserve the proper functioning of the Organization. At the same time, consideration must be given to the special circumstances of some developing countries that were prevented from fulfilling their financial commitments, in spite of their political will to do so, particularly given the impact of the pandemic on their economies. The information provided by the Secretariat showed that the United States of America was the main debtor under all budget categories. The recent willingness expressed by that country's delegation to pay its debts to the Organization was the first step on a long path; the United States must abandon, once and for all, its policy of deliberate withholding and fulfil its financial obligations under Article 17 of the Charter.



24. Cuba had fulfilled nearly all its financial obligations to the Organization, despite the severe impact on its economy of the pandemic and of the economic, commercial and financial embargo imposed against it by the Government of the United States, which had been reinforced to an unprecedented degree over the past four years. The cruel and inhumane nature of that policy had been starkly evident during the pandemic and, as a result, the payments made by Cuba to settle its debts to the United Nations had required great sacrifice. A strong multilateral system, with the United Nations at its centre, was more necessary than ever to overcome the pandemic and pre-existing challenges such as hunger, poverty, inequality and underdevelopment.

25. **Mr. Kadiri** (Morocco) said that Morocco shared the concern expressed by the Secretary-General, in his letter of 17 March 2021 addressed to Member States, that, after more than a year, the United Nations continued to face financial uncertainty, which had required it to borrow from the Working Capital Fund, the Special Account and the accounts of closed peacekeeping missions, directly affecting the implementation of mandates under its peace and security, human rights and development pillars. Morocco welcomed the Secretary-General's tireless efforts and viable proposals to restore the Organization's financial stability, as well as the measures that he had taken to align expenditure with cash inflows. The United Nations system was also to be commended for working tirelessly to fulfil its mandates and to advance global recovery efforts during the COVID-19 pandemic. Moreover, Morocco welcomed General Assembly resolution [73/307](#), which had helped to improve the liquidity of active peacekeeping operations. As a major troop contributor, Morocco also appreciated the efforts made to reimburse troop- and police-contributing countries.

26. The financial stability of the United Nations depended on Member States paying their contributions and settling their arrears in full. In 2021, in response to the Secretary-General's appeals, Morocco had paid its regular budget assessments in full and had paid a significant share of its peacekeeping assessments. Morocco was determined to work in a constructive and inclusive spirit to improve the financial situation of the Organization so that it had the resources necessary to fulfil the mandates set by Member States.

27. **Ms. Akatsuka** (Japan) said that Member States had a responsibility to pay their assessments in full and on time. Notwithstanding its domestic financial situation and the impact of COVID-19 on its economy, Japan had paid all its assessments in full and was

determined to contribute to the implementation of United Nations mandates.

28. It was encouraging that the liquidity situation of the regular budget had been improving in 2021, thanks to the receipt of an increased level of contributions and to enhanced liquidity management by the Secretariat. Japan was grateful to those Member States that had contributed to reversing the trend of delayed payment and encouraged them to continue to do so so that timely payment would, once again, become the norm. Japan also welcomed the relaxation of hiring restrictions as a result of the improved liquidity situation and trusted that the Secretary-General would ensure that the long-standing challenge of the under-representation and lack of representation of some Member States would be addressed in the recruitment of personnel for vacant posts.

29. In formulating resource requirements, the Secretariat and the General Assembly should determine a level of resources that was realistic as well as sufficient for mandate implementation. At the same time, Member States did not have unlimited resources. It was the shared responsibility of Member States and the Secretariat to seek to promote a more effective and efficient use of resources in order to ensure a high level of accountability to taxpayers. The Secretariat should also explore sustainable measures to mitigate the risk to the liquidity of peacekeeping operations stemming from the expected decrease in contributions as a result of the negotiations on the peacekeeping scale of assessments to be held at the seventy-sixth session of the General Assembly. Her delegation looked forward to discussing liquidity management in relation to peacekeeping operations during the review of the cross-borrowing mechanism for active missions and of the assessment of contributions for the annual peacekeeping budget period.

30. **Mr. Alam** (Bangladesh) said that financial resources were essential to the functioning of any organization. Ensuring the financial health of the United Nations was critical not only to mandate fulfilment but also to the implementation of the Secretary-General's reforms. If Member States did not fulfil their financial obligations in full and on time so as to ensure steady cash flow, the Organization would not be able to implement its mandates. He commended Member States that had paid their assessments in full and on time and urged those with arrears, in particular major contributors with ample capacity to pay, to respect their Charter obligations. For its part, Bangladesh was paying its assessments in full and on time. In the light of the challenges posed by the COVID-19 pandemic, a stronger, more effective and efficient United Nations was more essential than ever. In considering the

Organization's budgets, the Committee must take into account the impact of the pandemic on its operations and ensure that it had adequate resources and cash flow to cope with the related difficulties.

31. As a staunch supporter of multilateralism, Bangladesh was determined to play a responsible and constructive role in the maintenance of international peace and security and, therefore, was a leading contributor to United Nations peacekeeping operations. Bangladesh attached great importance to the expeditious and timely reimbursement of troop- and police-contributing countries, the majority of which were developing countries. Delays in such reimbursement could affect the rotation of peacekeepers and their willingness to continue serving in peacekeeping missions; they could also potentially unfairly shift the financial burden for such missions to troop- and police-contributing countries.

32. He was concerned at the Organization's worsening liquidity situation in recent years, with cash deficits running deeper, liquidity reserves being exhausted and record levels of arrears being recorded at year-end. A significant proportion of assessed contributions were received at year-end, a situation that hindered the timely allocation of resources for mandated activities. Despite having taken stringent cash-conservation measures and postponed a number of cash payments, the Organization had had to borrow significant funds from the accounts of closed peacekeeping missions in the last two years; the Department of Management Strategy, Policy and Compliance was to be commended for its efforts to carefully manage liquidity and ensure the uninterrupted operation of the United Nations during that period.

33. The funds entrusted to the Organization must be spent wisely, transparently, accountably and in a cost-effective and cost-efficient manner. Tightened budgetary control, strict financial discipline and the efficient and rational use of financial resources were particularly important in that regard. At a time of increasing global conflict and emerging challenges, the United Nations remained the most appropriate forum in which to advance the common goals of peace, security and prosperity. Member States therefore had a duty to ensure that the Organization was provided with adequate resources and managed those resources responsibly so that it could fully implement its mandates.

34. **Mr. Tormodsgard** (Norway) said that Norway was a strong supporter of multilateralism and the United Nations. A strong, effective and efficient United Nations that managed its financial resources responsibly and was capable of fulfilling its mandates was necessary in order

to address the challenges posed by the COVID-19 pandemic. Full and timely payment of Member States' dues, in accordance with the Charter, was essential to the proper functioning of the United Nations, which depended on predictable and stable financing in order to implement its mandates in increasingly complex country situations.

35. Norway welcomed the positive effects of the cash pooling mechanism for active peacekeeping operations on reimbursements to troop- and police-contributing countries and on the safety, security and predictable presence of United Nations staff in the field. The cash situation of the regular budget, as well as the potential impact of liquidity-preservation measures on mandate implementation, were nevertheless matters of concern. Norway recognized the difficulties faced by all countries as they endeavoured to direct resources towards combating the pandemic and commended Member States that had paid their assessed contributions in full and on time. Further progress was necessary, however, as demonstrated by the Under-Secretary-General for Management Strategy, Policy and Compliance in her presentation on 7 May 2021. As a founding member and consistent partner of the United Nations, Norway urged all Member States to pay their outstanding contributions in full, on time and without conditions in order to build a strong and effective Organization that fulfilled its promises to the people it served.

36. **Mr. Pieris** (Sri Lanka) said that his delegation was concerned at the deepening liquidity crisis affecting the regular budget. The occurrence of cash deficits earlier and earlier in the year and the trend towards the exhaustion of liquidity reserves did not bode well for the financial stability of the United Nations and were unsustainable.

37. The Secretariat must allocate the resources contributed by Member States in a more effective, impartial and transparent manner, and in accordance with prescribed mandates and the rules of the General Assembly. Strict adherence to budgetary discipline was also required, in particular in view of the global economic challenges posed by the COVID-19 pandemic, which had forced Member States to adopt austerity measures in order to stay afloat. The Committee must also exercise full regulatory oversight over the Organization's budgets and avoid abdicating decision-making authority to administrative officials operating within a labyrinthine bureaucracy, whose decisions might undermine the Charter.

38. The principles of consultation, consensus and respect for the sovereignty of Member States must be

the starting point for determinations regarding the allocation of United Nations funds, which should be used to promote the common good of all peoples and not to advance the agendas of individual Member States, groups of Member States or United Nations agencies that defended entities that had inveigled themselves into the United Nations system in order to pursue their own interests. The use of the Organization's resources for purposes other than the public good undermined its development pillar, directly affecting the implementation of programmes in developing countries and countries in special situations as they struggled to combat the pandemic.

39. Although he did not agree with those who criticized the United Nations for failing to take the transformative action required to realize its ideals, the Organization must engage in introspection in order to reaffirm those ideals, including through a review of the appropriateness of the procedures followed for the allocation of resources, which were woefully inadequate. At a time when the United Nations needed to focus more on uniting its forces to maintain international peace and security, and on using international machinery for the promotion of the economic and social advancement of all peoples, its resources should be used only for required purposes and not for activities that fell outside its jurisdiction. Sri Lanka was concerned about the proposals to use the limited resources under the regular budget for the implementation of politically motivated agendas; the Fifth Committee and the Advisory Committee on Administrative and Budgetary Questions had a responsibility consider such requests impartially and in relation to actual requirements.

40. Sri Lanka was grateful to Member States that had paid their regular budget contributions for 2021 in full. As the solution to the liquidity crisis was the payment by all Member States of their contributions in full, on time and without conditions, those with the capacity to pay should do so. Nevertheless, Sri Lanka recognized the genuine difficulties that prevented some Member States from fulfilling their financial obligations for reasons beyond their control. The Secretariat should be subject to more stringent regulatory oversight so that it could achieve greater efficiencies in the allocation of financial resources, bearing in mind the objectives of the Charter.

41. **Mr. Kalugin** (Russian Federation) said that the late payment of contributions by Member States had adversely affected the operations of the United Nations, including the results of its work. The Russian Federation welcomed the efforts of the Under-Secretary-General for Management Strategy, Policy and Compliance and

the Controller to encourage Member States with arrears to pay their contributions in full as soon as possible. The Controller's work to encourage payment by Member States had been systematic. The Secretariat's approach had been effective, as demonstrated by the significant improvement in the Organization's financial situation, including the positive changes in relation to the regular budget, which were noticeable in comparison with previous years, and by the increase in the number of Member States that had paid their regular and peacekeeping assessments in full.

42. He requested that, in future presentations, the Under-Secretary-General for Management Strategy, Policy and Compliance provide Member States with information regarding the lifting or relaxation of austerity measures relating to Secretariat departments and offices funded under the regular budget, in view of the payments received from Member States. The lifting or relaxation of those measures, and increased transparency with respect thereto, would encourage Member States with arrears to follow the example of Member States that had paid their contributions in full.

43. **Mr. Mmalane** (Botswana) said that Botswana had been pleased to hear that, in the first three months of 2021, most Member States had responded positively to the Secretary-General's appeal to Member States to fulfil their financial obligations by paying their contributions under all budget categories. His delegation was deeply concerned at the worsening liquidity crisis, which had adversely affected mandate implementation. To address that crisis, the Secretary-General had been forced to take extreme measures, including the suspension of hiring for critical posts funded under the regular budget, which had deprived the Organization of much-needed human resources; the postponement of payments to troop- and police-contributing countries; and the scaling down of non-post resources, which had hindered the fulfilment of key development mandates, thereby affecting the implementation of the 2030 Agenda for Sustainable Development. Those measures had undermined the purpose and effectiveness of the General Assembly in maintaining international peace and security and promoting the development of Member States.

44. The liquidity challenges faced in 2019 and 2020 had jeopardized the Organization's flexibility and ability to respond to emerging crises, such as the COVID-19 pandemic, in a timely manner. A financially sound United Nations was more effective, in particular in providing support for vulnerable Member States such as least developed countries, landlocked developing countries and small island developing States. Inadequate funding had weakened the Organization; that



must not be allowed to recur. The implementation of the 2030 Agenda and the Secretary-General's reforms relating to management, peace and security and the United Nations development system could not be achieved unless the Organization was financially sound. The payment by Member States of their contributions for 2021 would help the United Nations to fulfil its ultimate purpose of maintaining international peace and security, protecting human rights, delivering humanitarian aid, promoting sustainable development and upholding international law.

45. He commended those Member States that had consistently paid their dues on time and encouraged the others to do so as well. For its part, Botswana was proud to have fulfilled all its financial obligations to the Organization. It nevertheless recognized the special circumstances of some developing countries that were prevented from fulfilling their financial commitments, in particular owing to the COVID-19 pandemic. The success of the recovery from the pandemic would depend on all Member States meeting their Charter obligations.

46. **Mr. Croker** (United Kingdom) said that the United Kingdom remained concerned at the liquidity problems faced by the United Nations. The Organization could not be expected to fully implement its mandates and achieve high-quality results without the proper resources, in particular during the COVID-19 pandemic. The time and resources devoted to managing liquidity shortages and mitigating their impact would be better spent on improving mandate fulfilment on the ground. All Member States should therefore pay their assessments in full and on time.

47. The United Kingdom had been pleased to hear that regular budget contributions of \$1 billion had been received in April 2021, bringing the total level of payments received as at 30 April 2021 to 76 per cent of total assessments for the year. It had likewise been reassuring to hear that hiring restrictions had been partially relaxed and that the recruitment of much-needed staff had begun. He hoped that Member States would pay their outstanding contributions to the regular and peacekeeping budgets expeditiously and in full.

48. It was encouraging that the overall liquidity of active peacekeeping operations had been enhanced as a result of the reforms agreed upon at the seventy-third session of the General Assembly, including the issuance of letters of assessment inviting Member States to voluntarily pay peacekeeping assessments in advance for periods for which mandates had not yet been renewed, and the introduction of the cash pooling mechanism for active peacekeeping operations. In view

of those improvements, the Secretary-General should identify new and innovative ways to alleviate the liquidity problems affecting the regular budget and, where necessary, present them for the Committee's consideration at the earliest opportunity. The United Kingdom welcomed the Organization's efforts to use its available resources strategically in order to ensure mandate fulfilment and achieve results. The Secretariat should continue to use its resources effectively, and where necessary with agility, to address new priorities.

49. **Mr. Dai Bing** (China) said that funding was a cornerstone of United Nations governance and that a sound financial situation was essential to enable the Organization to implement its mandates and reforms. He noted that 2021 marked the fiftieth anniversary of the restoration of the lawful rights of China in the United Nations. As the world's second largest developing country, a permanent member of the Security Council and the second largest contributor to the regular and peacekeeping budgets, China had always strongly supported the Organization's work. Notwithstanding the COVID-19 pandemic and the mounting economic pressure it faced at the national level, China had paid in full its assessments under all budget categories for 2021, demonstrating its commitment to a United Nations-centred multilateral system. It commended the other Member States that had paid their assessed contributions in full.

50. As the global economy was being devastated by the pandemic, the United Nations was facing an alarming financial situation. As at 30 April 2021, the total unpaid assessments under the regular and peacekeeping budgets had amounted to \$1.427 billion and \$2.485 billion, respectively, a situation that had seriously affected the Organization's ability to operate normally and fulfil its mandates, resulting in delays in reimbursement to troop- and police-contributing countries and further increasing the financial burden they were expected to bear. One Member State owed \$1 billion under the regular budget, or 70 per cent of the total arrears, and \$1.6 billion under the peacekeeping budget, or 66 per cent of the total arrears. China was deeply concerned at that situation and hoped that that Member State would respond to the repeated calls of the Secretary-General for timely payment by expeditiously paying its dues.

51. Action must be taken to keep peacekeepers safe, given the increasingly challenging environments in which they operated. In that connection, China and a number of other Member States had established the Group of Friends on the Safety and Security of United Nations Peacekeepers. The Secretariat should continue to provide the medical support, training and equipment

required to ensure the safety and security of peacekeepers. It should also implement comprehensive budget performance management, improve internal control and maintain budgetary discipline in order to ensure that Member States' taxpayers' money was managed and spent as effectively as possible. China would participate constructively in the Committee's consultations in order to ensure that all planned work was completed as scheduled. It would also continue to support the enhancement of the role of the United Nations and its specialized agencies in promoting world peace and security.

52. **Mr. Penaranda** (Philippines) said that it was encouraging that actual cash contributions so far in 2021, which had amounted to \$3.16 billion, had exceeded the Administration's estimate of \$2.98 billion. He hoped that that development would promote continued efforts to improve the Organization's financial position. His delegation was concerned that unpredictable cash flow might make it difficult for programme managers to strategically align their work with the Organization's common goals and to implement mandates in the current financial year and beyond. Member States must continue their efforts to fulfil their financial obligations to the United Nations in full, on time and without conditions. For its part, despite the challenging economic environment and the devastating effects of the pandemic at the national and international levels, the Philippines would strive to pay its contributions in full and on time, in accordance with the Charter.

53. Member States were responsible for ensuring that the Organization had adequate resources to fulfil its mandates, in particular at a time when it was expected to incur unforeseen expenditure as a result of the COVID-19 pandemic. The increased financial constraints that had arisen as a result of the pandemic and the shortfalls that had been caused by a decline in the payment of assessments and the accumulation of arrears by some Member States had presented new challenges for the United Nations. The available resources must therefore be used in a cost-efficient manner, in order to ensure the continuity and sustainability of the Organization's operations.

54. **Ms. Grace Levin** (United States of America) said that the United Nations could be an indispensable force for advancing peace, prosperity and justice; it must therefore have sufficient financial support from Member States. The United States took pride in being the largest contributor of assessed and voluntary contributions; it contributed more than twice as much as the next largest contributor on an annual basis. The amount of \$1 billion received for the regular budget in April 2021 had been

the highest amount collected for the regular budget in a single month since at least 2016, and perhaps in the Organization's history. The financial situation of the United Nations had thus greatly improved compared with 2020. Although many Member States had contributed to the record level of payments achieved in April 2021, that achievement would not have been possible without her Government's contribution of over \$300 million during the first four months of the year. As her delegation had stated on numerous previous occasions, owing to the timing of its financial year, the United States paid its regular budget assessments in the last quarter of the year. It planned to pay its assessments for 2021 in full in the last quarter of the year. The United States was committed to fulfilling its financial obligations to the United Nations not only in order to improve the Organization's financial situation but also to enhance its effectiveness and efficiency.

55. **Mr. Ramanathan** (Controller) said that the achievement of the collection of \$1 billion in regular budget contributions in April 2021 should not be overstated, given that the Organization had begun the year with arrears of \$808 million, the highest level recorded in many years, and that its cash position at the end of March 2021 had fallen \$199 million short of the estimated level, which had been based on the assumption of a 90 per cent budget implementation rate. The Organization was therefore very far from being able to fully implement its regular budget. Member States should not only pay their dues on time but also inform the Organization of when they expected to make payments in order to facilitate planning by the Secretariat.

**Agenda item 169: Financing of the African Union-United Nations Hybrid Operation in Darfur**  
(continued) (A/C.5/75/L.30)

*Draft resolution A/C.5/75/L.30: Financing of the African Union-United Nations Hybrid Operation in Darfur*

56. *Draft resolution A/C.5/75/L.30 was adopted.*

*The meeting rose at 4.50 p.m.*