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Chair: Mr. Mavroyiannis. (Cyprus)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Terzi

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The meeting was called to order at 10.10 a.m.

Statement by the President of the seventy-fourth session of the General Assembly

1. **Mr. Muhammad-Bande** (President of the General Assembly) said that he had great confidence that the members of the Fifth Committee, the Bureau and the secretariat would be able to advance the Committee's work during the current session. The impact of that work could not be overestimated. Decisions taken by the Committee affected the capacity of the United Nations to implement the mandates provided by Member States and shaped the work under each of the Organization's three main pillars: peace and security; development; and human rights. In addition, the Committee's decisions reflected the collective commitment of Member States to share the financial burden and fund the mandated activities of the United Nations. He was confident that consensus would continue to be the decision-making practice in the Committee.

2. Committee members were no doubt fully aware of the need for even greater diligence and cooperation as the United Nations made the critical move from a biennial to an annual budget. The General Assembly had decided that efforts for the implementation of the 2030 Agenda for Sustainable Development should be redoubled. The timely and successful completion of the Committee's work on the proposed programme budget and the proposed programme plan for 2020 would make an important contribution in that regard by ensuring that the Organization was properly positioned to achieve the Sustainable Development Goals. He and his team would follow the Committee's deliberations and stood ready to support it in advancing its important work.

3. The United Nations was facing a liquidity crisis. He wished to join the Secretary-General in calling on all Member States to support the Organization by fulfilling their commitments and obligations under the budget and the scale of assessments. Delegations, for their part, should do all they could to ensure that the countries that they represented met their responsibilities. He was confident that, by striving together, they could deliver for all.

Agenda item 137: Improving the financial situation of the United Nations (*continued*) (A/74/501)

4. **Ms. Pollard** (Under-Secretary-General for Management Strategy, Policy and Compliance) said that, since the presentation on the financial situation of the United Nations at the Committee's 3rd meeting on 11 October 2019, the number of Member States that had paid their regular budget assessments in full had

remained at 131, while payments received had brought to 40 the number of Member States that had paid their peacekeeping assessments in full, to 107 the number that had paid their assessments for the international tribunals in full and to 38 the number that had paid their assessments in full for all categories. In addition, regular budget contributions had been received from three Member States and peacekeeping contributions from five Member States, while one Member State had made a payment for one peacekeeping operation for the non-mandated period.

5. **Mr. Katkhuda** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China, said that the Group was gravely concerned about the deepening liquidity crisis in relation to the regular budget. The Working Capital Fund and the Special Account had been entirely depleted for the second consecutive year, and the Administration had yet again had to resort to borrowing from the accounts of closed peacekeeping missions, which was neither a good, nor a sustainable, budgetary practice. The Group had studied the Secretary-General's earlier proposals for measures to alleviate the liquidity crisis in a constructive spirit and in good faith. Unfortunately, no consensus on the proposed measures had been reached. While the Group remained committed to studying any further proposals put forward, it reiterated that such proposals must be sustainable, based on good budgetary practice and must not unfairly shift the financial burden to developing countries that had less capacity to pay in relative terms.

6. The Group expressed its appreciation to those Member States that had paid their assessments in full and to those that had made efforts to reduce their unpaid contributions. It was sympathetic to Member States that were unable to meet their financial obligations for reasons beyond their control. At the same time, it firmly believed that any deliberate and unilateral withholding of contributions by Member States that did have the capacity to pay was unacceptable, particularly where contributions were withheld repeatedly in a bid for political leverage. Currently, about 76 per cent of all unpaid regular budget assessments and more than half of all funds owed to the United Nations could be attributed to a single Member State that continued to cling to its special privileges, despite already benefiting from a fundamental distortion of the method for determining how the Organization was financed.

7. That irresponsible behaviour had contributed to the current crisis and had forced the Organization to take severe measures, some of which would affect mandate delivery. The Group was concerned about the impact of those measures on the development pillar, including the work of the Department of Economic and Social Affairs,

the regional economic commissions, the United Nations duty stations and offices and the United Nations presence in developing countries, and the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island States. The effects on the issuance and distribution of Member States' communications to the United Nations were another cause for concern. Such communications, which often addressed important and time-sensitive political and security issues, must be made available as early as possible, at a minimum in the English language.

8. Regarding peacekeeping operations, the Group was encouraged to note that there were already discernible results from the measures approved in General Assembly resolution [73/307](#) on improving the financial situation of the United Nations. It was also pleased to hear that the Secretary-General was committed to meeting obligations to troop- and police-contributing countries as expeditiously as possible; high priority should be given to maximizing quarterly reimbursements.

9. The simple solution to the liquidity crisis was for all Member States to pay their assessed contributions in full, on time and without conditions, as no amount of flexibility of budget mechanisms would offset a basic lack of financial resources. In the meantime, the Secretariat should improve overall budget performance and strengthen accountability to ensure that Member States' taxpayers' money was used as effectively as possible.

10. **Mr. Arbeiter** (Canada), speaking also on behalf of Australia and New Zealand, said that, with the pooling of peacekeeping cash and the issuance of annual assessment letters for peacekeeping operations, the Organization was better able to meet its obligations to troop- and police-contributing countries. At the same time, the regular budget cash position was worsening. The proposed programme budget for 2020 contained funding for important new and expanded mandates from intergovernmental bodies, including strengthened support for the achievement of the Sustainable Development Goals and staff training and development to support reforms, along with resources for three investigative mechanisms. Yet cash shortages were already undermining the ability of the United Nations to deliver mandates, pay staff and use non-staff resources to carry out budgeted activities, as well as putting the implementation of the Secretary-General's reform programme at risk in its critical first year by preventing managers from focusing on genuine operational improvements at Headquarters and in the field. Against that backdrop, it was critical for all Member States to fulfil their financial obligations to the United Nations.

11. Regrettably, both the number of Member States that had yet to pay their assessments in full and the amounts owed to the Organization had grown compared with the same time in 2018, despite multiple warnings about the likely impact on mandate delivery. Special political missions were now being asked to align their spending with liquidity, thus distorting the vision set out in the programme budget. Delegations too were beginning to see the effects on their work, with Secretariat support rationed and the normal business of the General Assembly hampered. While the situation was not ideal, delegations must take the opportunity to make improvements to working methods and thus save valuable resources. A number of Member States had provided additional cash to the Organization by paying their peacekeeping assessments for the full year. However, those measures by a few, while both helpful and appreciated, could not be a substitute for timely payment of assessments by all Member States.

12. The three delegations continued to support the Secretary-General's request for budget flexibility to address the underlying systemic issues contributing to the liquidity problems. Budget rigidities combined with serious liquidity problems had already delayed mandated activities, and must be addressed to allow for the full and efficient implementation of all those activities. Member States could not allow that situation to continue or view it as business as usual.

13. **Mr. Gonzato** (Observer for the European Union), 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, the Republic of Moldova and Ukraine, said that the European Union was deeply concerned about the liquidity crisis facing the United Nations. Each year, the situation became more critical, with cash deficits occurring earlier, lingering longer and running deeper, and the Organization's leadership focusing not on mandate delivery and implementation of the Sustainable Development Goals, but on liquidity management and daily cash survival. That risked undermining the effectiveness of the Organization. Member States with pending assessments should address that situation as their top priority, and all Member States should pay their assessments in full, on time and without conditions.

14. The efforts of the Secretariat to manage its resources efficiently and effectively in order to keep mandate implementation on track were welcome. Further efficiencies should be sought and specific reform benefits identified. At the second part of the resumed seventy-third session of the General Assembly in June 2019, the States members of 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. It was regrettable that no consensus had been reached on the proposals relating to the regular budget. Many aspects of the budget process hampered effective management, as well as worsening an already difficult cash situation. The functioning of the Working Capital Fund and the other reserve funds should be kept under close review to ensure that they were fit for purpose in the current context.

15. The European Union noted with concern the increase in unpaid peacekeeping assessments and the decrease in total cash available. At a time when the United Nations was called on ever more frequently to respond to emerging challenges, Member States must fulfil their financial obligations to the Organization and allow it to deliver its mandates. The European Union was glad to hear that the decisions made in June 2019 were contributing to a more predictable cash situation for peacekeeping and more timely payments for uniformed personnel. Mandate implementation must always be the first priority. The Declaration of Shared Commitments on United Nations Peacekeeping Operations should guide the Committee in its work, since sustainable financing, performance and accountability were integral parts of effective peacekeeping. As for the international tribunals, if the current positive cash situation was to be maintained until the end of 2019, Member States must continue to honour their financial obligations.

16. As strong defenders of the principles of multilateralism, the European Union member States were committed to providing the resources necessary to enable the Organization to fulfil its mandates. Ensuring the financial health of the United Nations was a shared responsibility of Member States and the Organization. Promoting a sound and stable financial footing for the United Nations and supporting the Secretary-General in his reforms were priorities of the European Union, the largest collective financial contributor to the United Nations.

17. **Mr. Gafoor** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the Association was deeply concerned about the financial situation of the United Nations, in particular the dire state of the regular budget. At the second part of the resumed seventy-third session, ASEAN had supported measures intended to alleviate the situation, such as the proposal that the \$63.2 million withdrawn from the Special Account should be replenished. It was

unfortunate that consensus on that issue could not be reached.

18. The simplest and most effective solution remained the payment by all Member States of their assessed contributions in full and on time. 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. Regrettably, Member States were failing on both counts. The impact of the liquidity crisis on the work of the Organization was clear to all. Now was the time for each Member State to demonstrate greater political will and a greater sense of responsibility to the international community by fulfilling its financial obligations to the United Nations.

19. 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 support for the Secretary-General in his work and to renew their commitment to the United Nations and to multilateralism.

20. **Mr. Ammann** (Switzerland), speaking also on behalf of Liechtenstein, said that the two countries would continue to honour their financial obligations to the United Nations. They were committed to paying their contributions in full and on time and encouraged other Member States to do likewise. Over the previous two years, significant steps had been taken to strengthen the effectiveness and efficiency of the United Nations. However, there had been insufficient progress in relation to the budget. While the measures adopted in respect of the peacekeeping budget and the introduction of an annual regular budget on a trial basis were welcome, the lack of consensus on other measures proposed for the regular budget had resulted in a very worrying financial situation and worsening liquidity problems. Urgent action was required. The budget methodology and regulatory framework were outdated, and there were structural weaknesses that must be addressed. It was essential to give the Secretary-General, as the chief administrative officer, more leeway in managing the budget, including the authority to reallocate resources between budget sections in response to shifting needs, while guaranteeing transparency and accountability to Member States. Switzerland and Liechtenstein were strong supporters of

multilateralism. They recognized the central role of the United Nations in efforts to tackle global challenges and called on Member States to provide the Organization with adequate resources to deliver its mandates.

21. **Ms. De Armas Bonchang** (Cuba) said that the Organization's worsening liquidity problems could not be ignored. The Secretary-General was again having to request Member States to pay their dues to the Organization, even though it was their obligation to do so. Notwithstanding the measures adopted by the Committee during the previous session of the General Assembly, Member States' arrears to the Organization still far exceeded their contributions. Member States must pay their assessments on time, in full and without conditions. At the same time, consideration must be given to the special circumstances of some developing countries that were prevented from honouring their financial commitments, in spite of their political will to do so.

22. Thanks to the measures approved in General Assembly resolution [73/307](#), peacekeeping operations would survive, despite the withholding of payments by certain Member States. It was alarming, however, that the regular budget cash deficit was now \$230 million dollars higher than during the same month in 2018. That situation was due not to structural rigidity in the implementation of the budget, as had been claimed, but to delays in the payment of Member States' contributions, with the amounts received as at 4 October 2019 representing only 70 per cent of the current year's assessment, compared with 78 per cent the previous year. While her delegation recognized the efforts of the Secretariat to make savings in every possible area, it was concerned about the adverse effects on the Organization's staff and on the proper functioning of intergovernmental processes.

23. The country primarily responsible for the critical financial situation of the United Nations was the United States of America, which, despite regularly reminding Member States of its status as a main financial contributor to the Organization, owed \$800 million under the regular budget, or 72 per cent of all assessments owed by Member States, and just over \$2,122 million under the peacekeeping budget, which represented more than 50 per cent of the total sum owed. The absence of those amounts had very real consequences, limiting the Organization's capacity to deal with important events such as the high-level meetings of the General Assembly and to protect the lives of those serving in conflict zones. The United States remained unmoved by those considerations and continued to subject the United Nations to financial blackmail. Rather than allocate resources through the

General Assembly, a universal democratic body, it chose instead to give millions of dollars to extrabudgetary programmes and activities with the aim of unilaterally controlling the use of those funds. The complaints by the United States about the amount of its assessments were shameful when it paid far less than it should according to its capacity to pay and when the benefits that accrued to its economy from its companies' business dealings with the United Nations and from the presence of the Organization in United States territory had been valued at approximately \$1,640 million at the end of 2018.

24. Cuba appreciated the recognition it had received for having fulfilled its financial obligations to the United Nations. In so doing, it faced challenges caused by the economic, commercial and financial embargo imposed by the United States for the past 57 years. That obsolete policy sometimes hindered Cuba from paying its contributions to the United Nations and other international organizations. At a time when the United States Government seemed to be reinforcing the embargo, the people and Government of Cuba had chosen not to close themselves off from the world, but rather to embrace multilateralism and, to that end, were doing everything they could to make their small contribution to the United Nations.

25. **Ms. Baatarsuren** (Mongolia) said that, at a time when multilateralism was being challenged, all Member States should strive to strengthen the role of the United Nations and increase its dynamism. Her delegation appreciated the Secretary General's reform initiatives and his commitment to delivering results on the ground. All Member States should support his efforts in that regard. While the Organization's financial difficulties must be acknowledged, it was to be hoped that the resulting austerity measures would not affect the Committee's deliberations. The financial health of the United Nations depended solely on Member States' meeting their financial obligations in a timely manner. Her delegation was grateful to those Member States that had paid their assessments in full and those that had made efforts to reduce their outstanding contributions. Mongolia, for its part, had paid its regular budget assessment on time. It must be borne in mind that the mandate of the United Nations was continuing to expand even as the regular budget decreased. Her delegation was pleased to hear that, notwithstanding the cash-flow problems, the Secretary-General was committed to meeting obligations to troop- and police-contributing countries as expeditiously as possible. It trusted that the Secretary-General would attach high priority to maximizing the quarterly reimbursements.

26. **Ms. Kalamwina** (Zambia) said that the global economic downturn had had a negative impact on the

Zambian economy, with growth in 2019 projected to slow to 2 per cent, compared with actual growth of 3.7 per cent in 2018. Adverse climatic conditions, particularly poor rainfall during the 2018/19 rainy season, had affected agricultural output and electricity generation, while lower electricity generation had had spillover effects on other sectors. Growth had been further adversely affected by a decline in copper output due to a fall in world prices and demand. Tight liquidity conditions had also been an issue. Against that backdrop, Zambia was continuing to face difficulties in meeting its financial obligations to the United Nations in full and in a timely manner. Given the slow pace at which the global, as well as the domestic, economies were growing, her delegation believed that there should be no change to the current methodology for calculating Member States' assessed contributions or to the level of those contributions. Nevertheless, it wished to emphasize the need for Member States to pay their assessments in full and on time.

27. **Mr. Kakanur** (India) said that, despite attempts by some to downplay the liquidity crisis affecting both the regular and peacekeeping budgets, its effects had only become more pronounced. In 2019, for the first time, the Board of Auditors had examined and reported on (A/74/5 (Vol. I)) the state of liquidity in the regular budget. The Board's findings suggested a progressive deterioration of all four financial ratios of the regular budget. The auditors should continue to examine the impact of the liquidity crisis, including on the peacekeeping budget. In that connection, in 2019 the Secretary General had again used funds from closed peacekeeping missions – funds meant to reimburse troop-contributing countries – to pay staff salaries. As a result, 27 troop-contributing countries, including 17 from the Group of 77 and China, among them India, were still awaiting reimbursements. The problem should be discussed and addressed comprehensively.

28. The Secretary-General's austerity measures, announced the previous week, while encouraging judicious use of resources, also posed fundamental questions about the *raison d'être* of the United Nations. Borrowing from the Working Capital Fund, the Special Account and closed peacekeeping accounts did not seem to have filled the liquidity gap. Since 70 per cent of the regular budget went to meet staff costs, including salaries, which were determined on the basis of the rather overgenerous Noblemaire principle, there had been anxiety, perhaps for the first time, about United Nations officials not being paid. Member States had a responsibility to ensure that the current financial situation did not persist. Initiatives such as the recently inaugurated Gandhi Solar Park, a set of solar panels

donated by India and installed on the roof of the United Nations Headquarters building, could help in that regard.

29. Only 131 Member States had settled their regular budget assessments for the current year. India, a developing country, had not only paid all its dues on time, but had also made part payment of future assessments for both the regular and peacekeeping budgets. That was not easy considering the extent of the country's development needs and the 13-per-cent increase for 2019–2021 in its assessment rate under the scale of assessments for the regular budget. His Government believed that a sustainable solution to the liquidity crisis would emerge only when Member States began to honour their financial obligations to the United Nations in full and on time.

30. **Ms. Senewiratne** (Sri Lanka) said that the Secretariat must explore ways and means of addressing the liquidity crisis beyond the austerity measures imposed. In particular, it must secure the payment of Member States' assessed contributions. Regrettably, the current level of unpaid contributions was higher than at the same time in 2018. That trend must be arrested without delay. Timely payment would ensure predictability in the delivery of the Organization's mandates. Sri Lanka, for its part, had paid its assessments to date despite many domestic priorities.

31. As the United Nations made the transition from a biennial to an annual budget, it was equally important for the Secretariat to utilize the resources received from Member States in a more effective, impartial and transparent manner. While the transition created new opportunities for the Organization to improve its budgeting processes, the established and proven procedures that had facilitated healthy dialogue on the budget in the past must not be dispensed with. Rationalization must target not only the budget, but also staffing requirements across all categories. Service delivery to Member States must be taken into account in that process. Areas to be considered included addressing failure to comply with proper procedures and legal frameworks, and ensuring the application of the basic accepted norms for replying to communications in a timely manner, so that the issues they raised could be dealt with efficiently.

32. Her delegation had been prompted to bring those issues to light by the recent experience of Sri Lanka, which had been unfairly subjected to a dubious procedure at the hands of the Department of Peace Operations. The Department had unilaterally decided to take punitive action against Sri Lanka, thus violating a memorandum of understanding concluded with a sovereign country and challenging the decision of a

Head of State. The Secretariat had yet to reply formally to the written communications on the matter addressed to it more than one month earlier; such formal communications were important in order to avoid the confusion and misunderstandings that could arise when information was provided verbally. There was a need to ensure that such erroneous processes were not systematized and that professional ethics in the Organization were maintained.

33. While Sri Lanka had been a regular contributor to the United Nations peacekeeping budget since 1960, her Government wished to know whether a Member State could scale down its contribution in line with the curtailment of its troop deployments. It looked forward to receiving clarification on that issue and responses to the communications sent to the Department of Peace Operations.

34. Her delegation appreciated the Secretary General's assurance that obligations to Member States providing troops and equipment would be met as promptly as possible based on the availability of funds. However, the Organization must also fulfil its obligations to peacekeepers who were to be replaced, at the point of repatriation. Lastly, it was important to ensure a predictable system of payment for all peacekeeping dues.

35. **Mr. Fu Daopeng** (China) said that adequate and predictable financial resources were the material guarantee for the implementation of the Organization's mandates and programmed activities. China therefore supported efforts to maintain the budget of the United Nations at an appropriate level and to ensure a sound and sustainable financial situation for the Organization. The key to solving the current liquidity crisis in the regular budget was the payment of Member States' assessed contributions on time and in full. Under the new scale of assessments, the assessment rates for China for the regular and peacekeeping budgets had increased by 52 and 49 per cent respectively. Nevertheless, as a responsible developing country and the second largest contributor to the regular and peacekeeping budgets, in 2019 China had paid some \$335 million of regular budget contributions on time, in full and without conditions, and had paid peacekeeping contributions of \$1.135 billion dollars. All Member States should do likewise, particularly those with the capacity to pay. The Secretariat, for its part, must enhance overall budget performance, strengthen financial discipline and achieve savings while increasing efficiency. Those were fundamental requirements of budget management. His delegation had taken note of the austerity measures introduced by the Secretary-General. It wished to emphasize that, against the backdrop of the liquidity

crisis in the regular budget, the Secretariat must take effective measures to ensure mandate implementation.

36. **Mr. Ahmad Tajuddin** (Malaysia) said that, with the United Nations experiencing its worst liquidity crisis in recent years, the ongoing financial uncertainty had forced the Secretariat to manage expenditures based on liquidity rather than on programme delivery and to focus more on inputs than on results. His delegation was disappointed that fewer Member States had paid their assessments than at the same time in 2018. Once again, the Secretariat had had to cover the shortfall by borrowing from the accounts of closed peacekeeping operations. It was unacceptable that the United Nations found itself in such a precarious financial situation owing to non-payment of assessments by major contributors. Those Member States should honour their financial commitments and pay their assessments in full, on time and without conditions. At the same time, it was vital for the funds received to be utilized in the most efficient, effective and accountable manner. Stricter adherence to budgetary discipline was required given the dire state of the Organization's finances.

37. **Ms. Norman-Chalet** (United States of America) said that the United States would pay the bulk of its current assessments, for both the regular and peacekeeping budgets, before the end of 2019. It had recently made a payment of \$180 million to the regular budget and expected to make an additional payment of \$96 million within weeks, as well as further contributions in November. It had paid over \$600 million to the peacekeeping budget since the beginning of the year. Overall, the United States continued to be the largest contributor to the United Nations, with nearly \$10 billion in assessed and voluntary contributions system-wide. The amounts owed under the regular budget and, to some degree, the peacekeeping budget, were the result of the difference between the fiscal years of the United Nations and the United States. The United States had been making its regular budget payments after 1 October for the past 35 years. Member States should not be misled by those who wished to distort the facts.

38. Her delegation had taken note of the measures introduced by the Secretary-General to reduce expenditure levels. Some of those measures, along with strategic management of resources, should form part of the Organization's normal business practice. The United Nations could not continue to conduct business as usual without regard to a budget envelope and constraints. As the Secretary-General himself had stated, the situation with respect to the regular budget had multiple origins and late Member State payments were not the sole reason for the current financial difficulties.

39. In that regard, the United States had strongly supported many of the proposals put forward by the Secretary-General to help him address budget management challenges and give him the authority and flexibility he needed to manage resources effectively. It was pleased that, earlier in the year, the General Assembly had taken specific, positive steps to improve financial management, particularly where peacekeeping operations were concerned. That had allowed for full-year assessments and a reduction in the amounts owed to troop- and police-contributing countries. The United States would continue to look for ways to support the Secretary-General in fulfilling his duties as the Organization's chief executive officer.

40. **Mr. Kadiri** (Morocco) said that, as a result of the cash deficit in the regular budget, the United Nations had exhausted its reserves, and its financial situation remained precarious. That was adversely affecting the delivery of the mandates approved by Member States and the implementation of the Secretary-General's bold reforms. The numerous measures taken by the Secretary-General to address the current situation showed his determination to build an efficient and effective organization capable of meeting current challenges. Morocco fully supported the Secretary-General's efforts to tackle the liquidity problems and structural issues that hindered the Organization's work. Member States, for their part, must take the necessary measures to maintain a properly functioning multilateral system. Morocco had been among the first countries to pay its regular budget contribution in full and had paid a substantial portion of its peacekeeping assessments, as well as all its assessments for the international tribunals. It called on all Member States to honour their obligations in full so as to ensure the financial stability of the Organization and enable it to implement the mandates they gave it. Lastly, the programme budget for 2020 should include the resources necessary for the work of the Organization's different programmes.

41. **Ms. Al-Raish** (Kuwait) said that her Government appreciated the Secretary-General's efforts to improve the financial situation of the United Nations and agreed with those who had expressed the view that the Organization's financial health was dependent on Member States paying their contributions in full and on time. It was unacceptable to demand that the United Nations carry out its various mandates effectively when the international community was not meeting its financial obligations to the Organization. Kuwait had always paid its contributions in full and on time, and it called upon all Member States to do likewise. Her delegation stood ready to review the Secretary-General's proposals for addressing the liquidity crisis

and called upon the Secretariat to find a funding solution that did not contravene Article 17 of the Charter, in order to avoid a repetition of the current situation.

42. **Mr. Yamaguchi** (Japan) said that the simplest and best solution to the current liquidity problems was for all Member States to pay their assessments in full and in a timely manner, as Japan had done and would continue to do. At the same time, the overall level of the budget, including add-ons, must be appropriately and effectively constrained and Member States must remain aware that resources were not unlimited. In addition, to ensure a sound financial situation for the United Nations, duplicate mandates must be reviewed, and the remaining mandates prioritized and implemented as effectively and efficiently as possible within the Organization's limited resources. The improvement of liquidity in the peacekeeping budget following the General Assembly's decision to permit cross-borrowing drawing on the accounts of active missions and the issuance of annual letters of assessment had facilitated prompt payments for troops and formed police units. Fiscal discipline was important in formulating and deliberating on budgets, the goal being to allocate resources that were both necessary and sufficient for mandate delivery. Further efforts were needed in that regard.

43. **Mr. Chumakov** (Russian Federation) said that the significant arrears owed by Member States under the regular budget were a cause for concern. The regular budget cash deficit was due primarily to the failure of certain Member States to pay their assessed contributions in full and on time. That adversely affected the Organization's operations and the expected outcomes of its work. Rather than take stringent measures against the debtors, the Secretariat had decided to make savings at the expense of delegations representing Member States that had made their payments on time. That not only flew in the face of common sense, but also ran counter to Articles 17 and 19 of the Charter of the United Nations and the Financial Regulations and Rules of the United Nations.

44. The Secretariat must solicit funds more actively. In addition, the time had come to begin taking measures that targeted the debtors. It was well known that the Secretariat owed arrears to vendors. Why should it not prioritize payments to vendors from Member States that had paid their assessments on time? There was no reason why those vendors should suffer. A similar approach could be taken to human resources management. Rather than suspend recruitment of all new staff, a measure broached by the Secretary-General but not called for by the General Assembly, the Secretariat could suspend recruitment only of staff from Member States that had not paid their contributions. That would have a sobering

effect, particularly where the filling of senior management posts was concerned.

45. The Secretariat also bore its share of responsibility for the current situation. Member States had spent some \$1 billion over the past 10 years on the enterprise resource planning system, Umoja, and the introduction of International Public Sector Accounting Standards, but the expected results, including hundreds of million dollars of savings, had yet to materialize and the General Assembly had still to be provided with the benefits and savings realization plan it had been requesting for several years.

46. The difficulties experienced at Headquarters by all delegations as a result of the current austerity measures could lead even those Member States that paid their contributions on time to delay payment. It was not clear why the Secretariat had acted as it had, particularly since, in the past, it had applied the Financial Regulations and Rules flexibly, borrowing from the accounts of closed peacekeeping operations when the need arose. Why had it now chosen instead to punish all Member States indiscriminately? By way of example, in response to an application to mount a photography exhibition in the Headquarters building, his delegation had been informed that, henceforth, no exhibitions by permanent missions would be accommodated in the building owing to the financial situation. He wondered what savings would be achieved by that measure and why it had been put in place when, according to the Secretary-General, he had given no instructions to that effect. His delegation would welcome clarification of the matter.

47. In the light of the prevailing situation, his delegation was ready to discuss in the Committee the introduction of a new threshold for the imposition of restrictive measures on Member States that were in arrears. Currently, a Member State could lose its right to vote in the General Assembly under Article 19 of the Charter of the United Nations only when its arrears equalled or exceeded the amount of contributions due from it for the preceding two full years. His delegation proposed that, when a Member State's arrears reached half that amount, while it would not lose its right to vote, its participation in the activities of the Organization should be limited, particularly its involvement in procurement and human resources management.

48. Lastly, the Secretariat should provide, in writing, a breakdown by month of the savings it expected to achieve through each austerity measure imposed. Those amounts would hardly be comparable to the arrears owed by Member States or the impact of the measures taken on the Organization's day-to-day work.

49. **Ms. Juul** (Norway) said that Norway consistently promoted multilateralism, at the heart of which was the United Nations. Member States needed a strong, effective and efficient United Nations in order to face current challenges. While the Organization must manage its financial resources soundly, it must also be equipped to deliver its mandates. Full and timely payment of Member States' dues was essential to the financial health of the United Nations, which depended on predictable and stable financing in order to implement its programmes in increasingly complex situations on the ground. The severe liquidity problems facing the Organization, particularly in relation to the regular budget, were therefore alarming. Norway, a founding Member of the United Nations, urged all Member States to make every effort to pay their outstanding contributions.

50. **Mr. Tavoli** (Islamic Republic of Iran) said that, for the first time since the establishment of the United Nations, his country's arrears were approaching the threshold above which its right to vote in the General Assembly would be jeopardized. The non-payment of its contributions to the United Nations was for reasons beyond its control. The people of Iran were being subjected to illegal unilateral coercive measures as part of the so-called maximum pressure policy imposed by the United States. The unlawful measures even restricted access by the central bank to the country's financial resources abroad. In consequence, the basic needs of over 83 million citizens and more than 1 million refugees had to be met from within limited resources. There was, moreover, no reliable and regular channel for the transfer of the assessed contributions of Iran to the United Nations budget. His delegation therefore requested the Committee, when the time came, to consider the root causes of the situation and to make the appropriate decision.

51. After plunging the Secretariat into a financial crisis, the United States, which, in addition to being the largest contributor to the United Nations, was also the recipient of the largest discount on its assessment, had finally decided to pay one fourth of its annual regular budget contribution, to keep the Secretariat alive for a few more days. As the rules stood, the United States could prolong the current crisis for more than a decade without making any payment to the regular budget. The financial situation was such that even staff salaries had been affected. It seemed that the Secretariat was being held hostage to the political objectives of the United States. In recent years, the international community had witnessed many examples of that country's irregular and unacceptable conduct, which had undermined international agreements and bodies. The threat now facing the United Nations was

predictable and preventable and required a prompt and appropriate response.

52. **Ms. Pollard** (Under-Secretary-General for Management Strategy, Policy and Compliance) said that she was reassured that Member States shared the Secretary-General's deep concern regarding the current financial situation of the United Nations. The Secretariat, for its part, understood that the resources of Member States were not unlimited and that there was a need for budgetary discipline. The proposed programme budget for 2020 indeed provided for zero nominal growth overall.

53. She wished to reiterate that the Organization was facing a liquidity crisis, not a budget crisis, with the Secretariat forced to operate on the basis of the available cash, as opposed to the approved resource level. Since post costs accounted for 75 per cent of the regular budget and the Secretary-General was committed to paying salaries, as well as meeting obligations to regular vendors, the Secretariat must seek to conserve cash in other areas. It was not a question of prioritizing certain programmes over others, but rather of ensuring that staff could be paid and the Organization's operations maintained while only minimal costs were incurred. Under those circumstances, mandate implementation was inevitably affected and the Secretariat struggled to maintain the commitment to results-based budgeting. Any underexpenditure at year end should not lead to the conclusion that those resources had not been needed; programmes were approved by Member States and the Secretariat was expected to deliver them. She trusted that Committee members would keep that in mind as they deliberated on the level of the budget for 2020.

54. The Secretary-General had not given instructions in respect of each measure introduced to address the liquidity crisis. He had, however, examined the overall cash situation and requested Secretariat officials to decide on appropriate measures to minimize costs. One of the measures decided on had been a reduction in the opening hours of the Headquarters building. The mounting of exhibitions would require access to be provided outside the new hours, which would incur overtime costs. The measures had not been taken lightly or precipitately. Indeed, the Secretary-General had been highlighting the deteriorating financial situation for more than a year. Now, the point had been reached where operations could not continue as before. The situation would of course be kept under review and the measures would be softened where possible. That would be facilitated by an acceleration of the pace at which contributions were received from Member States.

55. She would endeavour to provide in writing the information requested by the representative of the Russian Federation. It was difficult, however, to cost the measures taken to fill the gap left in the Organization's finances as a result of the amounts owed by Member States. Those measures were determined by considering available cash and projected payments based on information supplied by Member States and past payment patterns. The Secretariat was doing its best to preserve cash within the limited flexibility afforded it. It was to be hoped that the current difficult situation could be brought to an end as quickly as possible. That would depend on action by Member States.

56. **Mr. Ramanathan** (Controller) said that not all expenditures incurred by the Organization resulted in cash outflow at the same speed; the related payments might be made within hours or months. Therefore, cash outflow, like the inflow of contributions, was difficult to predict. However, since the Financial Regulations and Rules did not permit the United Nations to borrow, if cash was not available in the right account when payments were made, those payments would fail. In consequence, the Secretariat must manage cash in anticipation of cash outflow.

57. **Mr. Chumakov** (Russian Federation) said that his delegation understood that the Secretariat was attempting to find a way out of an unprecedentedly difficult situation. However, the measures it took to that end must be carefully weighed, along with the savings they might be expected to produce. Rather than simply inform permanent missions that they could no longer mount their exhibitions in the Headquarters building, the Secretariat should explain under what circumstances they would be able to do so. The Permanent Mission of the Russian Federation would, for example, be willing to arrange for the photographs it wished to exhibit to be hung during normal working hours. While he regretted having to raise an apparently trivial matter, he believed it to be illustrative of a more general point.

Agenda item 135: Proposed programme budget for 2020 *(continued)*

Special political missions (continued)

Thematic cluster III: regional offices, offices in support of political processes and other missions (A/74/6 (Sect. 3)/Add.4 and A/74/7/Add.4)

United Nations Assistance Mission for Iraq (A/74/6 (Sect. 3)/Add.6, A/74/6 (Sect. 3)/Add.6/Corr.1 and A/74/7/Add.6)

58. **Mr. Ramanathan** (Controller), introducing the report of the Secretary-General on special political missions under thematic cluster III: regional offices, offices in support of political processes and other missions (A/74/6 (Sect. 3)/Add.4), said that the proposed resources for 2020 for the nine special political missions under cluster III amounted to \$291.2 million, a decrease of \$5.6 million compared to the approved resources for 2019.

59. The decrease was mainly the result of reduced requirements for the United Nations Support Mission in Libya (UNSMIL) in the amount of \$3.9 million, owing to the proposed relocation of staff to Tripoli; for the United Nations Verification Mission in Colombia in the amount of \$3.9 million, owing to the projected closure of four remote field locations; and for the United Nations Integrated Peacebuilding Office in Guinea-Bissau (UNIOGBIS) in the amount of \$0.9 million, owing to the reconfiguration of the Office. The overall decrease was partly offset by increased requirements for the United Nations Assistance Mission in Somalia (UNSOM) in the amount of \$3.2 million, owing to the deployment of additional Guard Unit personnel and the proposed establishment of several positions in connection with the implementation of the Mission's electoral mandate.

60. The budget proposals for the United Nations Mission to Support the Hedaydah Agreement (UNMHA) and the United Nations Integrated Office in Haiti (BINUH) would be presented separately, at a later date.

61. Introducing the report of the Secretary-General on the proposed resource requirements for 2020 for the United Nations Assistance Mission for Iraq (UNAMI) (A/74/6 (Sect. 3)/Add.6 and A/74/6 (Sect. 3)/Add.6/Corr.1), he said requirements amounted to \$100.5 million, a decrease of \$5.3 million compared to the approved resources for 2019. The decrease was attributable primarily to the completion in 2019 of most of the acquisition of safety and security equipment and information and communications technology (ICT) equipment; cost recoveries from the United Nations country team for maintenance services, security services and utilities and waste disposal services; and lower requirements for transponder charges and Internet services based on current contractual arrangements.

62. In the light of the liquidity crisis facing the United Nations, the special political missions under cluster III and UNAMI had been requested to align their expenditures with liquidity forecasts. To avert an even more serious crisis, managers had been instructed to adjust their hiring and non-post expenditures.

63. **Mr. Terzi** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the proposed resource requirements for 2020 under thematic cluster III (A/74/7/Add.4), said that the Advisory Committee recommended that the General Assembly approve the proposals of the Secretary-General for military and police personnel for the nine special political missions under cluster III. The Advisory Committee also recommended approval of the Secretary-General's staffing proposals.

64. A number of missions had positions that had been vacant for over two years. The need to retain long-vacant positions should be regularly reviewed; if retention was desired, justification should be provided. The Advisory Committee trusted that recruitment for vacant positions would be completed expeditiously, and encouraged missions to make further efforts to fill vacancies. In addition, the Advisory Committee expected that the recruitment for positions encumbered by staff members in receipt of special post allowance for extended periods would be completed without further delay.

65. With regard to UNIOGBIS and the reprioritization of its tasks as part of the transition process for the projected closure of that Office by the end of 2020, the Advisory Committee noted the positions proposed for downward reclassification and was of the view that the experience gained during the liquidation of recent peacekeeping missions provided an opportunity for establishing best practices and institutionalizing lessons learned, including those related to staffing.

66. With regard to UNSMIL, the Advisory Committee noted the unexpected expenditures and working arrangements owing to the security situation in Libya and the efforts by the Mission to ensure the security of staff. The Advisory Committee trusted that the Secretary-General would provide updated information on the security situation and the resource implications thereof, including regarding the deployment of staff and working arrangements.

67. With respect to official travel, the Advisory Committee regretted the persistent non-compliance with the advance purchase policy. More efforts were required, in particular in areas where travel could be better planned. With regard to cost-sharing, the Advisory Committee trusted that the cost-sharing arrangements in place maximized efficient resource use and cost transparency.

68. Introducing the Advisory Committee's report on the proposed resource requirements for UNAMI for 2020 (A/74/7/Add.6), he said that the Advisory Committee recommended a reduction in view of the past

pattern of underexpenditure in the area of operational costs, specifically relating to consultants and consulting services, facilities and infrastructure, ground transportation, air operations, ICT, and other supplies, services and equipment. The Advisory Committee trusted that the Secretary-General would provide updated information on the expenditure for UNAMI for 2019 to the General Assembly at the time of its consideration of the current report.

69. The Advisory Committee regretted that UNAMI was not proposing any adjustments to its staffing as a result of the review of the development pillar support functions, and wished to see more clarity with respect to the staffing levels needed to ensure the full implementation of the reforms of the resident coordinator system and the relevant provisions of General Assembly resolution 72/279. The Advisory Committee's comments and recommendations regarding the resident coordinator system were contained in its main report on estimates in respect of special political missions (A/74/7/Add.1).

70. **Mr. Mmalane** (Botswana), speaking on behalf of the Group of African States, said that special political missions played a vital role in fostering international peace and security through early warning, mediation, preventive diplomacy, electoral support, good offices and peacebuilding efforts. Many missions operated in environments of active conflict, or in post-conflict situations. Accordingly, missions must be provided with adequate resources to enable them to discharge their complex mandates efficiently and effectively.

71. The resources proposed for 2020 for the nine missions under cluster III amounted to \$291,182,600, a decrease of \$5,608,000, or 1.9 per cent, compared to the approved resources for 2019. The proposed resources for military and police personnel amounted to \$26,695,500, an increase of \$2,096,900, or 8.5 per cent, compared to 2019. Overall, the Secretary-General had proposed 1,457 positions for the nine missions, including a net increase of 23 positions. Staffing changes were proposed for five of the missions, namely the United Nations Verification Mission in Colombia, the United Nations Office for West Africa and the Sahel (UNOWAS), UNIOGBIS, UNSOM and UNSMIL. The Group would seek to understand the rationale for those changes and the potential impact on mandate delivery.

72. While the Group appreciated the measures taken by the missions to fill vacant positions, and acknowledged the difficulties they faced, further efforts must be made to ensure that recruitment for vacant positions was completed expeditiously. In addition, recruitment for positions currently encumbered by staff

members in receipt of special post allowance, in particular for extended periods, should be completed without delay.

73. A factor in the activities of the nine missions was cooperation with other entities, including the United Nations resident coordinators, agencies, funds and programmes and external partners. The Group would examine more closely the services and staffing of the resident coordinator system, including the division of labour and core support capacity provided under the new resident coordinator system.

74. Turning to cross-cutting issues, he noted that the overall proposed resource requirements for 2020 for the 37 continuing special political missions amounted to \$643,875,000, inclusive of the provision of \$1,427,100 for the share of special political missions in the budget of the Regional Service Centre in Entebbe, Uganda, for the 2019/20 peacekeeping financial period. Cross-cutting issues of interest to the Group included the nationalization of positions, the methodology for the calculation of salaries for special political missions, the allocation of vehicles and ICT equipment, air operations, security services, travel, and backstopping support to special political missions at Headquarters. The Group intended to examine those issues closely, with a view to achieving outcomes that were representative of the Organization's interests.

75. **Mr. Al-Dabag** (Iraq) said that special political missions played an essential role in achieving the goals of the United Nations. His delegation was grateful to those Member States that contributed to the funding of such missions in general, and to the funding of UNAMI in particular. His Government would continue to support the Mission in carrying out its mandated tasks.

76. UNAMI must be provided with the necessary financial resources and must manage its human resources appropriately in order to be able to perform its duties effectively. His Government would not support any reductions in the financial resources for the Mission or the elimination of national posts in it. Indeed, the proposed budget for UNAMI for 2020 could hamper the Mission's ability to carry out its responsibilities.

77. **Mr. Benhamida** (Libya) said that his delegation appreciated the work of UNSMIL, and its ongoing efforts to facilitate a solution to the political and security crises in Libya and to unify State institutions. To that end, it was important for UNSMIL to maintain communications and continue cooperating with national actors in Libya, and to bear in mind the priorities of the Government of National Accord of Libya and the extent to which the Mission's activities aligned with those priorities.

78. His delegation welcomed the creation of a mechanism to end the ongoing conflict in Tripoli and bring about the withdrawal of hostile forces from that city. UNSMIL should be encouraged to fill administrative and technical posts with Libyan nationals. His delegation trusted that the Mission's funding would be increased, so as to enable it to carry out its activities at all levels. The Government, for its part, would do whatever it could to facilitate the work of UNSMIL.

79. **Mr. Rugeles** (Colombia) said that his delegation was grateful to Member States for their commitment to supporting the peace process in his country, as reflected in the unanimous adoption of Security Council resolution [2487 \(2019\)](#), through which the Council had extended the mandate of the United Nations Verification Mission in Colombia. The Government of Colombia was deeply committed to implementing the Final Agreement for Ending the Conflict and Building a Stable and Lasting Peace, key aspects of which the Mission was responsible for monitoring: the political, economic and social reintegration of members of the Revolutionary Armed Forces of Colombia-People's Army (FARC-EP) and the implementation of personal and collective security and protection measures for former fighters; and comprehensive security and protection programmes for communities and organizations at the local and regional level.

80. While significant progress had been made in implementing the Final Agreement, challenges remained that must be addressed. The continued political and financial support of the international community was essential to achieving the long-term consolidation of peace and the rule of law in Colombia. The effective implementation of the Mission's mandate depended in large part on the allocation of sufficient human and financial resources. His delegation trusted that the Committee would fully support the Mission, with a view to enabling it to continue building peace in Colombia.

81. **Mr. Bermúdez Álvarez** (Uruguay), speaking also on behalf of Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Guatemala, Haiti, Mexico, Panama, Paraguay and Peru, said that special political missions played a critical role in United Nations efforts to maintain international peace and security, providing support for peace processes, as well as assistance in establishing justice mechanisms and building peace on the ground. Such missions should therefore be provided with adequate and predictable resources.

82. The 13 delegations welcomed Security Council resolution [2476 \(2019\)](#), in which the Secretary-General had been requested to establish BINUH for an initial

period of 12 months, beginning on 16 October 2019. Despite the progress made by the United Nations Mission for Justice Support in Haiti (MINUJUSTH) and its predecessor, the United Nations Stabilization Mission in Haiti (MINUSTAH), significant challenges remained, necessitating a strong political mission, supported by adequate financing, in order to help the authorities of Haiti to achieve stability, security, strong institutions and sustainable development. To play an effective role in Haiti, the Organization must take into account the multidimensional factors affecting the country's development, including climate change and the need for humanitarian assistance. While the establishment of BINUH represented a historic milestone in a long-term process, the success of the Integrated Office would depend on the solidarity of the international community and sound decisions on the part of the Committee.

83. The 13 delegations welcomed Security Council resolution [2487 \(2019\)](#), through which the Council had renewed the mandate of the United Nations Verification Mission in Colombia for a further year. They supported the people and Government of Colombia in their efforts to achieve peace, which required the commitment of all parties. In that connection, the implementation of the Final Agreement, a model for peace negotiations worldwide, was critical to building sustainable peace. The continued support of the international community for the Mission, including in the form of adequate financing, was likewise essential. Special political missions played a key role in the achievement of the Organization's peace and security objectives. The General Assembly should nevertheless discuss the issue of their financing.

Agenda item 5: Election of the officers of the Main Committees (*continued*)

84. **The Chair** said that, Mr. Feldman (Brazil), having completed his tour of duty at the Permanent Mission of Brazil, had resigned from the office of Vice-Chair of the Committee with effect from 18 October 2019. In accordance with rule 105 of the rules of procedure of the General Assembly, the Committee was invited to elect a new Vice-Chair from the Group of Latin American and Caribbean States for the unexpired term. Those States had endorsed the nomination of Mr. Poggio Pádua (Brazil). In the absence of other candidates, he took it that the Committee wished to proceed with the election by acclamation.

85. *Mr. Poggio Pádua (Brazil) was elected Vice-Chair by acclamation.*

The meeting rose at 12.30 p.m.