



General Assembly

Seventieth session

Official Records

Distr.: General
5 July 2016

Original: English

Fifth Committee

Summary record of the 37th meeting

Held at Headquarters, New York, on Wednesday, 11 May 2016, at 10 a.m.

Chair: Mr. Bhattarai (Nepal)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

Contents

Agenda item 136: Improving the financial situation of the United Nations
(*continued*)

Agenda item 160: Financing of the United Nations Multidimensional Integrated
Stabilization Mission in Mali (*continued*)

Agenda item 162: Financing of the United Nations Mission in South Sudan

Agenda item 134: Programme budget for the biennium 2016-2017 (*continued*)

*Revised estimates relating to the report of the Secretary-General on the future
of United Nations peace operations: implementation of the recommendations
of the High-level Independent Panel on Peace Operations*

This record is subject to correction.

Corrections should be sent as soon as possible, under the signature of a member of the
delegation concerned, to the Chief of the Documents Control Unit (srcorrections@un.org),
and incorporated in a copy of the record.

Corrected records will be reissued electronically on the Official Document System of the
United Nations (<http://documents.un.org/>).

16-07696 (E)



Please recycle A small graphic of a recycling symbol, consisting of three chasing arrows forming a triangle.



The meeting was called to order at 10.05 a.m.

Agenda item 136: Improving the financial situation of the United Nations (*continued*) (A/70/433/Add.1)

1. **Mr. Takasu** (Under-Secretary-General for Management) said that since 30 April 2016 a total of \$20.2 million had been received for the regular budget from 6 Member States; for peacekeeping operations, \$133.4 million had been received from 17 Member States; and for the international tribunals, \$1.6 million had been received from 10 Member States. Accordingly, under the regular budget 84 Member States had paid in full; all peacekeeping assessments had been paid by 45 Member States; and for the international tribunals, 57 Member States had paid in full. Payments received after 4 May 2016 meant that 37 Member States had paid their assessments in full for all categories.

2. **Ms. Chartsuwan** (Thailand), speaking on behalf of the Group of 77 and China, said that the Committee's reflections on the financial health of the Organization were all the more important as it embarked on implementation of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda, to which the Group attached top priority.

3. While financial indicators were generally sound and unpaid assessments for the regular budget and the tribunals were lower than in October 2015, unpaid assessments for peacekeeping operations had increased. Significant amounts were still owed to the Organization, which had a long way to go before it was financially in the clear. The situation would improve, however, bearing in mind that the national financial cycles of some Member States were not aligned with that of the United Nations. The Group expressed its appreciation to those Member States that had reduced their outstanding contributions, efforts that must continue, especially given the major undertakings in hand.

4. The Group welcomed the reduction in outstanding payments to Member States in respect of troop costs and contingent-owned equipment. As many troop contributors were developing countries, they could not sustain their troop commitments and maintain their equipment on their own for extended periods of time. Improved timelines for reimbursement were needed.

5. The Group reaffirmed Member States' legal obligations under the Charter, and recognized the need for financial stability so that the Organization could function effectively and implement mandates. While acknowledging the need to extend sympathetic understanding to those temporarily unable to meet their financial obligations as a consequence of economic difficulties, the Group urged all Member States to pay their assessed contributions in full, on time and without conditions. It was concerned about policies of withholding financial contributions to create linkages to reform at the United Nations. Withholding funds for approved budgets created artificial political leverage that undermined the governance of the United Nations on the basis of the sovereign equality of Member States. The Group sought reassurance that the implementation of programmes and activities under the regular budget would not be delayed or scaled down because of non-payment of assessed contributions.

6. **Ms. Pilleri** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Georgia, Liechtenstein, the Republic of Moldova and Ukraine, said that Member States and the Secretariat must take their responsibilities seriously and provide and utilize funding in a responsible manner. As at 30 April 2016, slightly fewer Member States had paid their assessments in full than a year previously, and outstanding assessments remained a concern. The number of countries that had paid all their peacekeeping assessments had decreased, while the number that had paid all their tribunal assessments had increased.

7. Given that while financial indicators were generally positive regular budget cash would tighten towards the end of 2016, with the final outcome depending on contributions received, it was imperative to spend more wisely, deliver in new ways and ensure that the Organization lived within agreed budget levels. Unceasing efforts to find new and creative ways of working were essential to deliver mandates more effectively and use resources sustainably.

8. **Mr. Harper** (Australia), speaking also on behalf of Canada and New Zealand, welcomed the generally lower level of unpaid assessments. However, the amount of \$827 million owed as at 31 March 2016 to

Member States in respect of peacekeeping, while projected to decrease by the end of the year, was still too high. Timely payments for troops, formed police units, and contingent-owned equipment, as well as in respect of letters of assist and death and disability claims, depended on Member States' meeting their financial obligations to the United Nations in full and on time.

9. The consequences of unpaid assessed contributions were clear: troop- and police-contributing countries were left waiting for reimbursement of the costs they had incurred, which impacted negatively on their motivation to contribute personnel and material assets to future peacekeeping operations, and resulted in inequity between those Member States that had paid their assessed contributions in full and on time and those that had not. Unpaid assessed contributions had a significant adverse impact on the cash flow of the Organization. As at 30 April 2016, more than \$1.4 billion in regular budget contributions had been outstanding. The Working Capital Fund had been established to provide advances to fund budgetary appropriations pending the receipt of contributions, but could function properly only if contributions were paid on time and in full. The Fund and Special Account must be used judiciously to avoid drawing on them heavily, as at the end of 2015 to cover the \$217 million cash shortfall.

10. The three delegations would continue to demonstrate their commitment to the United Nations by paying their assessments in full and on time; all Member States should do the same. The Organization had a mechanism in place to assist Member States in addressing their fiscal arrears; the Member States concerned should make use of that mechanism and submit multi-year payment plans. While it was important to provide the Organization with the resources it needed, it was just as important to identify potential savings, refine processes and exhaust all options in managing resources efficiently and effectively.

11. **Mr. Yazdani** (Islamic Republic of Iran) said that his Government had always sought to pay its contributions to the United Nations budget in full and on time. Its failure to do so in recent years had resulted from illegal unilateral sanctions and restriction of its access to international banking systems. Although it had made every effort to reduce its outstanding contributions, the channels through which it had

transferred \$17 million to the United Nations in December 2015 and January 2016 were limited in their capacity to absorb more funds.

12. **Mr. Guo Xuejun** (China) welcomed the generally positive financial situation, with lower levels of arrears. However, his delegation was concerned by the level of unpaid assessments for peacekeeping and the regular budget, totalling \$3.8 billion as at 30 April 2016, and noted that troop- and police-contributing countries were owed \$827 million. He called on all Member States to meet their obligations by paying their assessed contributions in full, on time, and without conditions, so that the Organization could deliver its mandates.

13. Countries possessing the requisite resources, in particular developed countries with high assessments, should pay their outstanding assessments without delay. His delegation was sympathetic to countries facing economic and fiscal difficulties and supported the continued application of Article 19 of the Charter to accommodate their situation. Despite the worsening global economic outlook, 35 Member States, including China, had shown their firm support for the United Nations by paying their assessments in full. The Secretariat must optimize budget formulation and management, monitoring and accountability in budget implementation, and efficiency in the utilization of funds to ensure that every penny paid by the taxpayers of Member States was put to good use.

14. **Mr. Sánchez Azcuy** (Cuba) said that Member States must pay their assessments in full, on time and without conditions to give the United Nations a stable and predictable financial basis for maintaining world peace, promoting development and strengthening international cooperation. They must honour their financial commitments to adequately fund the Organization, which was entrusted with helping them to honour their political commitments to end poverty, control climate change and implement the new development agenda.

15. It was cause for concern that the largest share of unpaid assessments continued to be owed by a single Member State, one that also benefited from the greatest distortion in the methodology for calculating the scale of assessments. The accumulation of unpaid assessments hindered mandate delivery and resulted in significant financial limitations; the Secretariat must minimize the impact of that pressure by managing

resources efficiently. The priority must be the mandates approved by Member States rather than administrative initiatives, which must be fully justified before they were undertaken.

16. Cuba had been unable to pay its assessments under the regular budget, as well as certain other amounts, owing to unilateral coercive measures, contrary to international law, that blocked payments from various developing countries and violated the agreements between the Organization and the host country. The Secretariat had recently informed the Permanent Mission of Cuba of the closure of a United Nations bank account in a third country used by his Government to pay its assessments, employing a third currency.

17. The closure of the account had created an additional obstacle, and forced his Government to use a United States bank, thereby risking the confiscation of Cuban payments to the Organization under the economic, commercial and financial embargo imposed for over 50 years by the United States of America. The Secretariat had temporarily resolved the situation by arranging for Cuba to make its payments through another United Nations bank account in a third country, again using a third currency.

18. Although on 16 March 2016 the United States had approved the use of the dollar by Cuba in international transactions, his Government had as yet performed no dollar operations, and its financial relations with the United States had not, in fact, returned to normal, which represented a violation of the Financial Regulations and Rules of the United Nations. Despite the process of normalization that had started in December 2014, bilateral relations could not be restored as long as the embargo against the Cuban people continued.

19. Cuba had never imposed an embargo against the United States, taken discriminatory or unilateral measures against its people or companies, or obstructed United States payments to international organizations. Although President Obama had urged the United States Congress to lift the embargo and had used his executive authority to change the way in which it was applied, he had not yet used his prerogatives to render it nugatory. International solidarity and support had been critical in changing United States policy towards Cuba; international efforts to end the embargo, the most unjust, severe and

prolonged system of sanctions imposed against any country, remained essential.

20. **Ms. Barbosa Lima Côrtes** (Brazil) said that her Government strongly supported multilateralism and the United Nations and was taking steps to meet its financial obligations by paying its assessments as soon as possible.

21. **Mr. Imada** (Japan) said that although his Government's budget cycle was different from that of the United Nations, it had honoured its responsibility to pay all its assessments in full and on time, thereby contributing to international peace and prosperity, despite its long-standing financial difficulties and recent trends in exchange rates.

22. He welcomed the Secretariat's efforts to utilize resources efficiently and effectively; it should monitor the cash position closely and duly inform the General Assembly. Although Umoja was still in a transition period, Member States should receive timely and complete information on the status of contributions in the interest of accountability to taxpayers.

23. **Ms. AlRasheed** (Kuwait) said that it was unfair for Member States to demand more efficiency, transparency and accountability from the United Nations in discharging its responsibilities in peace, security, development and human rights unless they met their financial obligations. Her delegation welcomed the sound financial situation of the Organization, which had overcome financial crises that had adversely affected its performance. For many years, Kuwait had paid its assessments in full and without conditions, within the period prescribed by the Financial Regulations and Rules. Countries in arrears should do likewise as soon as possible.

24. **Mr. Kisoka** (United Republic of Tanzania) said that his Government had for many years paid its assessments on time and in full. It had recently made improvements to its financial management system and would pay its 2016 assessments in a few days. The Secretariat should update the information online regarding the status of contributions to ensure that it was current, in the interest of ensuring that assessments were paid in a timely fashion; information on his country's contribution, on which the Tanzanian authorities relied heavily, was incorrectly displayed.

25. **Mr. Takasu** (Under-Secretary-General for Management) said that the marked increase in the

number of countries that had paid all their assessments demonstrated the serious efforts made by Governments despite differences in budgetary cycles, financial situations and budgetary allocations. The financial situation of the United Nations was sound, but the regular budget for 2016-2017 was tight and would need to be monitored towards the end of the year. The budget had been reduced to the level of the 2010-2011 appropriation, despite the many changes that had occurred in the interim. The Secretariat would ensure that the instances in which additional commitment authority had been granted with no corresponding appropriation would not affect mandate delivery. It was aware of the efforts of Governments and the valuable contributions of taxpayers, and would honour its compact to make the best use of funding.

26. Although the amount owed to troop- and police-contributing countries was high, 60 per cent related to contingent-owned equipment. Expediting reimbursement was in the general interest, but was impossible unless contributors concluded memorandums of understanding with the Secretariat. The Secretariat would as a matter of priority resolve the technical problems regarding the status of contributions.

27. **Mr. Sánchez Azcuy** (Cuba) said that the comparison between the programme budget for the biennium 2016-2017 and previous bienniums should be viewed in context. Before recosting, the 2016-2017 budget had been \$5,641 million, which was in line with the \$5,565 million approved for 2014-2015. After recosting, the 2016-2017 budget had been reduced to \$5,402 million, not ideal but nonetheless sufficient for the requirements set out by the Secretariat. The 2016-2017 budget might have been higher if the Secretariat had submitted effective proposals on implementation of the 2030 Agenda.

Agenda item 160: Financing of the United Nations Multidimensional Integrated Stabilization Mission in Mali (*continued*) ([A/70/592](#), [A/70/735/Rev.1](#) and [A/70/742/Add.2](#))

Agenda item 162: Financing of the United Nations Mission in South Sudan ([A/70/599](#), [A/70/791](#) and [A/70/742/Add.15](#))

28. **Mr. Guazo** (Office of Programme Planning, Budget and Accounts), introducing the budget performance report for the period from 1 July 2014 to 30 June 2015 ([A/70/592](#)) and the proposed budget for the period from 1 July 2016 to 30 June 2017

([A/70/735/Rev.1](#)) for the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), said that the 2016/17 proposed budget of \$945.5 million, 2.4 per cent higher than the 2015/16 approved budget, reflected increases in the resources required for military, police and civilian personnel, air transportation and communications support. The revised Mission concept, aligned with the peace and reconciliation agreement and Security Council resolution 2227 (2015), identified as core objectives for 2015-2017 the promotion of a sustainable peace process; security and stabilization; and the attainment of full operational capacity, including the capacity to protect and sustain the Mission and execute priority tasks.

29. Introducing the budget performance report for the period from 1 July 2014 to 30 June 2015 ([A/70/599](#)) and the proposed budget for the period from 1 July 2016 to 30 June 2017 ([A/70/791](#)) for the United Nations Mission in South Sudan (UNMISS), he said that the 2016/17 proposed budget of \$1,120.3 million was 3.2 per cent higher than the 2015/16 budget, reflecting the deployment of more uniformed personnel and the establishment of 33 posts and positions to support the implementation of the Agreement on the Resolution of the Conflict in the Republic of South Sudan, signed in August 2015, in accordance with Security Council resolution 2252 (2015). The Mission would continue to implement its main priorities, which included the protection of civilians, monitoring and investigating the human rights situation, and establishing the conditions for the provision of humanitarian assistance.

30. **The Chair** drew attention to the Advisory Committee's related reports on MINUSMA ([A/70/742/Add.2](#)) and UNMISS ([A/70/742/Add.15](#)) and the introductory statement by the Chair of the Advisory Committee, to be posted on the Committee's website.

Agenda item 134: Programme budget for the biennium 2016-2017 (*continued*)

Revised estimates relating to the report of the Secretary-General on the future of United Nations peace operations: implementation of the recommendations of the High-level Independent Panel on Peace Operations ([A/70/7/Add.49](#) and [A/70/745](#))

31. **Mr. Guazo** (Office of Programme Planning, Budget and Accounts), introducing revised estimates

relating to the report of the Secretary-General on the future of United Nations peace operations: implementation of the recommendations of the High-level Independent Panel on Peace Operations under section 3, Political affairs, section 29D, Office of Central Support Services and section 36, Staff assessment (A/70/745), said that the High-level Independent Panel on Peace Operations, convened in October 2014, had presented its report on uniting our strengths for peace: politics, partnership and people (A/70/95-S/2015/446) to the Presidents of the General Assembly and of the Security Council in June 2015. In September 2015, the Secretary-General, in his report on the future of United Nations peace operations: implementation of the recommendations of the High-level Independent Panel on Peace Operations (A/70/357-S/2015/682), had endorsed the Panel's call for significant strengthening and more reliable regular budget funding of the Secretariat's core prevention and mediation capacities.

32. The Secretary-General's report now before the Committee (A/70/745) took into account resolution 70/6, in which the General Assembly had decided to give further consideration at the seventieth session, including in the Committee, to the recommendations emanating from the Secretary-General's initiative, and resolution 70/247, in which the Assembly encouraged the Secretary-General to consider including proposals to strengthen conflict prevention and mediation capacities in future budget submissions.

33. While the resources requested in the report were needed urgently, their magnitude called for careful consideration and detailed justification. The Secretary-General was requesting an additional \$11.61 million, net of staff assessment, comprising \$8.86 million for the Department of Political Affairs and \$2.75 for the Office of Central Support Services, to provide for 41 posts in the Department of Political Affairs: 32 new posts, and the conversion of 9 posts previously funded from extrabudgetary resources. The proposal was intended to make the Department of Political Affairs more operational and geared towards rapid response in conflict prevention and mediation, thereby enabling it to better support Member States and regional and subregional organizations.

34. **The Chair** drew attention to the Advisory Committee's related report (A/70/7/Add.49) and the introductory statement by the Chair of the Advisory Committee, to be posted on the Committee's website.

35. **Mr. Chamlongrasdr** (Thailand), speaking on behalf of the Group of 77 and China, said that although the prevention of armed conflict and the peaceful settlement of disputes were central to United Nations mandates, the proposal before the Committee had been presented in a piecemeal fashion, months after the adoption of the budget, during peacekeeping discussions, in the context of requests for commitment authority and the implementation of the High-level Panel's recommendations. The Secretary-General should strictly observe budgetary discipline. The Group noted the proposed resources and the Advisory Committee's response, and would scrutinize the requested staffing increases on the basis of their impact on performance targets and outputs.

36. **Mr. Kisoka** (United Republic of Tanzania), speaking on behalf of the Group of African States, said that regional and subregional actors, in particular the African Union, should be engaged in conflict prevention and resolution, which should be achieved through mediation and diplomacy in accordance with the Charter of the United Nations and such regional instruments as the Constitutive Act of the African Union and the Protocol relating to the Establishment of the Peace and Security Council of the African Union. In considering the proposal to strengthen mediation capacity, the Committee should take into account General Assembly resolution 63/261, which stressed that improving the conflict prevention and resolution capacity of the United Nations was a better investment than dealing with the cost and aftermath of conflict.

37. Although the revised estimates were in response to the recommendations of the High-level Independent Panel, parts of the proposal were based on resolution 63/261, approved in 2009, since when some of the capacity of the Department of Political Affairs had been abolished. While the Group agreed with some of the Advisory Committee's observations, it would request clarification regarding others. The Secretary-General's proposal must be formulated in consultation with Member States and with the involvement of regional and subregional organizations. The mediation role of the United Nations should complement that of regional and subregional mechanisms so as to guarantee ownership, efficiency and effectiveness. The Group would seek to ascertain how well the proposal was aligned with such arrangements. Duplication and overlapping of functions must be avoided and resources must be efficiently and effectively allocated.

38. The proposal had been introduced during the Committee's discussions on peacekeeping rather than

during consideration of the budget at the main part of the session; the Secretary-General should avoid the piecemeal presentation of budgets and requests for commitment authority, as it prevented Member States from obtaining a clear picture of the resources required by the Secretariat.

39. **Mr. Zehnder** (Switzerland), speaking also on behalf of Liechtenstein, Norway and Turkey, said that notwithstanding the fact that conflict prevention was enshrined in the Charter and in countless declarations and resolutions, the mismatch between rhetoric, institutional capacity and action was growing, and regular budget funding for that purpose was limited. The four delegations supported the Secretary-General's recommendations on strengthening capacity in conflict prevention and mediation and on closer cooperation with regional and subregional organizations, which had grown in importance in an era of transboundary conflicts. As highlighted in the global study on the implementation of Security Council resolution 1325 (2000) and the Secretary-General's report ([A/70/745](#)), the role of women in peace processes needed to be strengthened. The increasing number and intensity of armed conflicts posed a serious challenge to multilateral peace and security mechanisms. Prevention was not only better than cure, it was also more cost-effective.

40. **Mr. Woldegerima** (Ethiopia) said that it was imperative to strengthen the United Nations to meet the many complex security challenges that had arisen since the Brahimi report on United Nations peace operations ([A/55/305-S/2000/809](#)). The important recommendations by the High-level Panel and the Secretary-General on strengthening the whole spectrum of peace operations, in particular prevention, must be supported by allocation of the necessary resources.

41. There was an unavoidable need to increase the capacity of the Department of Political Affairs for political analysis and regional and subregional cooperation, and to enhance its early warning and good offices functions. The Department's strategic dialogue with the African Union, enabling shared analysis in response to crises and building the capacity of the Union's regional mechanisms, was of paramount importance. The Committee should allocate the resources the Department needed to navigate changing security dynamics and discharge its responsibilities.

The meeting rose at 11.25 a.m.