



Financial situation of the United Nations

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Thank you Mr. Chairman and, through you, let me also thank the members of the Fifth Committee for giving me this opportunity to brief you on the current financial situation of the United Nations.

In doing so, I shall focus on four main financial indicators:

- (a) Assessments issued
- (b) Unpaid assessed contributions
- (c) Available cash resources
- (d) Debt to Member States.

Chart 1 summarizes the status of these indicators at 31 December 2010 and 2011. While there were increases in unpaid assessments, the cash situation had improved in most areas and, there had also been some improvement in the level of debt to Member States though it was less than anticipated in October 2011.

Regular budget

Let me turn first to the regular budget (see **Chart 2**). Assessments and payments were both higher in 2011 than in 2010, by \$249 million and \$162 million respectively. Unpaid assessed contributions were also higher by \$103 million at \$454 million on 31 December 2011, compared to \$351 million on 31 December 2010.

On a positive note, I am pleased to announce that 143 Member States had paid their regular budget assessments in full by the end of 2011, exceeding the previous year's

number by five (see **Chart 3**). On behalf of the Secretary-General, I should like to thank these Member States listed in **Chart 4** and urge all the other Member States to pay their assessed contributions in full as soon as possible.

The breakdown of the amount that remained outstanding at 5 October 2011 and its status on 31 December 2011 are shown in **Chart 5**. As you can see, Mr. Chairman, there has been a significant reduction in the outstanding assessment, though the amount continues to be concentrated with 95 per cent being owed by four Member States.

As of 7 May 2012, a total of 92 Member States have paid their assessments to the regular budget in full, six more than the level achieved by 10 May 2011, the cut-off date for last year's presentation (see **Chart 6**). Again, on behalf of the Secretary-General, let me thank these Member States for their support for the work of the Organization and urge other Member States to follow their example.

The financial position of the regular budget at 7 May 2012 is shown in **Chart 7**. Regular budget assessments for 2012 were \$2.4 billion. Against this, payments of \$1.7 billion were received by 7 May 2012, resulting in an outstanding amount of \$1.2 billion, which is also concentrated, with eight Member States accounting for 95 per cent of the total (see **Chart 8**). Out of this, \$171 million has been received from the United States after the cut-off date of 7 May 2012. The final outcome for 2012 will depend in large measure on action to be taken by these particular Member States.

Cash resources for the regular budget comprise the General Fund, to which assessed contributions are paid, the Working Capital Fund, authorized periodically by the General Assembly, and the Special Account. **Chart 9** shows the cash resources available at the end of 2011 and at 7 May 2012. The significant change for the regular budget is due to the receipts of contributions at the beginning of the year, while expenditures will be spread through out the year.

The month-by-month cash position in 2011-2012 is shown in **Chart 10**. The projected cash balance at the end of December 2012 is slightly lower than the amount at the end of 2011. The final position will depend in large measure on the action to be taken by the eight Member States that I have referred to earlier in **Chart 8**.

Peacekeeping operations

As you know, Mr. Chairman, the unpredictable nature of the demand for peacekeeping activities makes it very difficult to predict financial outcomes. In addition, peacekeeping has a different financial period; assessments are issued separately for each operation; and, since assessments can currently only be issued through the mandate period approved by the Security Council for each mission, they are issued for different periods throughout the year. All of these factors complicate a comparison between the

financial situation of peacekeeping operations and those of the regular budget and the tribunals.

The total amount outstanding for peacekeeping operations at the end of 2011 was \$2.63 billion, reflecting an increase of \$164 million from the amount of \$2.46 billion outstanding at the end of 2010 (see **Chart 11**). The breakdown of the amount that remained outstanding at 5 October 2011 and its status as on 31 December 2011 are shown in **Chart 12**. Again, like Regular Budget, there has been a good reduction in the outstanding assessment, perhaps reflecting the effect of differing payment cycles for Member States. However, approximately 80 per cent of the \$2.63 billion outstanding at the end of 2011 was owed by nine Member States.

Due to the unpredictable amount and timing of peacekeeping assessments throughout the year, it can be more difficult for Member States to keep fully current with assessments. Let me therefore pay special thanks to 29 Member States that had paid all peacekeeping assessments due and payable at 31 December 2011. This is two more than at end 2010 (see **Chart 13**). They were Armenia, Australia, Belize, Burkina Faso, Canada, Denmark, Estonia, Finland, Georgia, Germany, Iceland, Ireland, Jordan, Kazakhstan, Latvia, Monaco, the Netherlands, New Zealand, Niger, Norway, Poland, the Republic of Moldova, Saint Kitts and Nevis, Singapore, Solomon Islands, South Africa, Sweden, Thailand, and the United Republic of Tanzania.

Although the cash available for peacekeeping at the end of 2011 was approximately \$3.8 billion, it was divided among the separate accounts maintained for each peacekeeping operation and there are restrictions on the use of this cash. In its resolutions on the financing of peacekeeping operations, the General Assembly has specified that no peacekeeping mission shall be financed by borrowing from other active peacekeeping missions. In addition, the terms of reference of the Peacekeeping Reserve Fund restrict its use only to new operations and expansions of existing operations. **Chart 14** shows the breakdown of peacekeeping cash at the end of 2011 among active missions with \$3,398 million, closed missions with \$238 million, and the Peacekeeping Reserve Fund with \$140 million.

The financial position of peacekeeping operations at 7 May 2012 shows significant improvement (see **Chart 15**). New assessments of over \$1.2 billion had been issued by this date. Against this, double the amount, namely \$2.4 billion, was received as contributions, thereby reducing the amount outstanding from \$2.6 billion to \$1.4 billion. Out of the total owed for peacekeeping operations as of 7 May 2012, 79 per cent relates to seven Member States (see **Chart 16**).

By 7 May 2012, 37 Member States had paid all peacekeeping assessments that were due and payable, six higher than at 10 May 2011 (see **Chart 17**). Let me therefore pay special tribute to these Member States, which are Australia, Austria, Belize, Burkino Faso, Canada, Denmark, Eritrea, Estonia, Finland, Germany, Hungary, Iceland, India, Ireland, Israel, Italy, Japan, Kazakhstan, Kuwait, Latvia, Luxembourg, Malawi, Monaco, the Netherlands, New Zealand, Nicaragua, Niger, Norway, the Republic of Moldova, the

Russian Federation, Singapore, South Africa, Sweden, Switzerland, Tajikistan, Thailand and the United Republic of Tanzania.

Based on information currently available, we expect the total cash available in peacekeeping accounts at the end of 2012 to amount to over \$3 billion, with \$2.6 billion in the accounts of active missions, \$279 million in the accounts of closed missions and \$139 million in the Peacekeeping Reserve Fund (see **Chart 18**). These estimates are based on projected receipts and disbursements, as well as the reclassification of MINURCAT from active to closed mission. The cash in closed missions will be the projected total cash and not the surplus cash that would be available for return to Member States.

As regards Debt to Member States - as indicated in **Chart 19**, the amount owed for troops, formed-police units and contingent-owned equipment at 31 December 2011 was \$529 million, reflecting a decrease from the \$539 million owed at the start of the year. New obligations are projected to increase in 2012 compared to 2011. This is primarily due to UNSOA's exceptional reimbursement for COE as well as the increase in the COE reimbursement rate effective 1 July 2011, which has been partly offset by MINUSTAH's partial drawdown of the post-earthquake surge capacities. By the end of 2012, it is projected that debt to Member States will increase to \$678 million. This is based on projected new obligations of \$2.1 billion and projected payments of \$1.9 billion. As at 7 May 2012, the amount owed was \$774 million, of which 50 per cent is owed to 8 Member States (see **Chart 20**).

Payments for troops and formed police unit costs, including the supplemental payment as decided by the General Assembly during its 65th session, are current up to January/February 2012 for all missions, except for MINURSO and UNMIT due to insufficient cash in the special accounts of these two missions (see **Chart 21**). Payments for contingent-owned equipment are current up to December 2011 for all active missions with liabilities for COE, except for MINURSO, UNFICYP, UNMIT and UNOCI, due to insufficient cash in the special accounts for these missions. Projected payments for 2012 are dependent on timely finalization of MOUs. At 7 May 2012, out of 326 MOUs for all peacekeeping missions, 31 MOUs (9.5 per cent) were yet to be finalized. Naturally, the actual level of payments will also depend on Member States meeting their financial obligations to the United Nations.

International tribunals

The financial position of the international tribunals for Rwanda and the former Yugoslavia in 2011 remained unchanged at the end of 2011 with \$27 million outstanding matching the amount at the end of 2010 (see **Chart 22**).

The breakdown of the amount owed at 5 October 2011, and its improved status as on 31 December, are shown in **Chart 23**.

The number of Member States paying their assessed contributions for both international tribunals in full by the end of 2011 was 105, seven more than the level reached at the end of 2010. On behalf of the Secretary-General, let me express our sincere thanks to those 105 Member States listed in **Chart 24** and urge other Member States to follow their example.

The tribunals' financial situation has showed improvement in 2012 (see **Chart 25**). Outstanding assessments at 7 May 2012 were \$84 million, reflecting a lower level than the amount of \$133 million at 10 May 2011. By 7 May 2012, 64 Member States had paid their assessed contributions to both tribunals and the International Residual Mechanism for Criminal Tribunals in full, three more than the levels at 10 May 2011. End 2012 cash balances are projected to almost match the actual cash balances at the end of 2011 (see **Chart 26**). Once again, the actual outcome of 2012 depends on Member States continuing to honour their financial obligations to the tribunals.

Capital Master Plan

By its resolution 57/292 of 20 December 2002, the General Assembly decided that a special account should be established for the CMP. Since then, assessments were issued under the special account through 2011, in accordance with the approved financial arrangements.

As of 7 May 2012, 188 Member States have made payments which totalled \$1.86 billion, with \$8 million currently outstanding (see **Chart 27**). The breakdown of the outstanding amount of \$8 million is set out in **Chart 28**.

Actual and projected cash balances for the CMP through 2012 are shown in **Chart 29**.

In addition to the cost of the project, the General Assembly approved the establishment of a working capital reserve of \$45 million. As of 7 May 2012, 183 Member States have already made payments to almost fully fund the reserve, leaving a balance due of \$8,785 (see **Chart 30**).

As of 7 May 2012, 142 Member States have paid in full as set out in **Chart 31**, while another 46 Member States have made partial payments. Regrettably, 4 Member States have not yet made any payments to the Capital Master Plan.

Conclusions

In conclusion, Mr. Chairman, let me first pay special tribute to those Member States that had paid in full all assessments for the Regular Budget, Peacekeeping

Operations, the International Tribunals, and the Capital Master Plan that were due and payable as at 7 May 2012 (see **Chart 32**). These were Australia, Austria, Belize, Burkina Faso, Canada, Eritrea, Estonia, Finland, Germany, Hungary, Iceland, India, Ireland, Israel, Italy, Japan, Kuwait, Latvia, Luxembourg, Malawi, Monaco, the Netherlands, New Zealand, Nicaragua, Niger, Norway, the Republic of Moldova, Singapore, South Africa, Sweden, Switzerland, Tajikistan, Thailand and the United Republic of Tanzania. In addition, payments received after the cut-off date of 7 May result in the addition of Denmark and Liechtenstein to the list of Member States that have paid all assessments as of today's date.

The latest situation reflects the continued emphasis on improving Member States' access to information on the status of contributions. With the gains made in recent years, there has been a steady increase in the number of Member States demonstrating their commitment to the Organization by meeting their financial obligations in full at the time of the financial situation presentation (see **Chart 33**).

The financial situation at the end of 2011 showed improvement in some areas despite the global financial climate. Though unpaid assessments were higher compared to end of 2010, the number of Member States meeting their obligations in full had increased in all categories and the cash situation was also better in most areas; in addition, the debt to Member States had also decreased a little.

There have been further encouraging signs of progress in the financial position of the Organization in 2012 (see **Chart 34**). At 7 May 2012, unpaid assessments were below the levels of one year ago across all categories. Total unpaid assessments were \$600 million lower at 7 May 2012. However, some peacekeeping operations continue to be affected by cash shortages, which also impact the payments to TCCs.

Finally, while I am heartened by the increase in the number of Member States that have settled their financial obligation in full as at 7 May 2012, a significant level of outstanding assessments remains. Clearly, the final outcome for 2012 will depend in large measure on action to be taken by the Member States that have outstanding assessments. As always, Mr. Chairman, the financial health of our Organization depends on Member States meeting their financial obligations in full and on time.

Thank you.