



## **Financial situation of the United Nations**

### **Statement**

**by**

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I am pleased to present to you the current financial situation of the United Nations.

I shall focus on four main financial indicators:

- (a) Amounts of assessed contributions
- (b) Unpaid assessed contributions
- (c) Available cash
- (d) Outstanding payments to Member States.

The PowerPoint will be made available on the website of the Fifth Committee.

The cut-off date for this presentation is 30 April, but I will update you on developments in recent days as well. For comparison purposes, **Chart 1** summarizes the overall status of these indicators at 31 December 2016 and 2017, and at 30 April 2017 and 2018.

As you can see, at the end of 2017 cash balances were positive for peacekeeping operations and tribunals. However, the regular budget experienced cash shortfalls in the last quarter of the year. This is a troubling pattern that has been experienced in recent years. More recently, at the end of April 2018, cash balances were positive for all categories.

### Regular budget

Let me first address the regular budget. **Chart 2** shows assessments were issued in 2018 at a level of \$2.5 billion, \$91 million below the level in 2017. Payments received by 30 April 2018 totalled \$1.5 billion. Unpaid assessed contributions at 30 April 2018 amounted to \$1.6 billion, higher than one year ago by \$166 million.

As seen in **Chart 3**, 145 Member States had paid their regular budget assessments in full by the end of 2017, matching the number at the end of 2016. On behalf of the Secretary-General, I would like to thank these Member States listed in **Chart 4**.

Of the \$1.6 billion outstanding for the regular budget as of 30 April, the largest amounts are shown in **Chart 5**. Here I am pleased to note that the United Kingdom has paid in full since the cut-off date. I urge all Member States who have not paid, or who have not yet paid in full, to pay their assessed contributions as soon as possible. The final outcome for 2018 will depend on actions taken by Member States.

Following the issuance of the assessment letters for the regular budget at the start of this year, the Secretary-General appealed to all Member States to meet their financial obligations to the United Nations. As you see in **Chart 6**, many Member States responded in January and in subsequent weeks. By 30 April 2018, 88 Member States had paid their assessments to the regular budget in full. Since then, Andorra, Côte d'Ivoire, Mauritania, San Marino, and the United Kingdom have paid their regular budget assessments in full. Let me thank these 93 Member States for their prompt payments in support of the work of the Organization and urge other Member States to follow their example.

Cash resources available for the regular budget under the General Fund include the Working Capital Fund and the Special Account. **Chart 7** shows the cash resources available as at 31 December 2016 and 2017, and as at 30 April 2017 and 2018. There were cash shortfalls in the last months of 2017, which were covered by the Working Capital Fund and the Special Account. The final position as at 31 December 2017 reflected a cash shortfall of \$278 million under the regular budget. The cash position had improved by 30 April 2018, as a result of the contributions from Member States in the first quarter of the year. The current cash level is \$330 million.

The month-by-month cash position for 2016-2018 is reflected in **Chart 8**. While the regular budget cash position is currently positive, the monthly pattern reflects declining cash levels as the year progresses and the deteriorating level at year end. Given the limited reserves available in the Working Capital Fund and Special Account, the final outcome will depend largely on the payments to be made by Member States in coming months.

### Peacekeeping operations

The changing demand for peacekeeping activities makes it hard to predict financial requirements. In addition, peacekeeping has a different financial period, running from 1 July to 30 June rather than the calendar year; assessments are issued separately for each operation; and, assessment letters are issued for different periods throughout the year.

As **Chart 9** shows, the total amount outstanding for peacekeeping operations at the end of 2017 was \$1.9 billion, and \$2.3 billion as of 30 April 2018. In 2018, new assessments of \$1.5 billion have been issued to date. Payments of approximately \$1.1 billion have been received.

As **Chart 10** shows, with respect to troop costs and contingent-owned equipment, the amount outstanding at the end of 2017 was \$796 million, reflecting a decrease compared to the \$810 million outstanding at the end of 2016. More recently, at 30 April 2018 the amount outstanding was \$1.2 billion.

The Secretariat makes every effort to expedite outstanding payments to Member States. Payments are dependent on income from assessments. The current amount outstanding includes payments relating to additional appropriations approved in December 2017 for UNAMID (\$416 million) and MINUJUSTH (\$86 million), for which assessments were made in January 2018. Additional troop payments are scheduled for next week for two missions (UNAMID and UNFICYP), and further payments of \$506 million are planned by the end of this quarter.

**Chart 11** shows the breakdown by Member State as at 30 April 2018.

Mr. Chairman, the Secretary-General is committed to meeting obligations to Member States providing troops and equipment as expeditiously as possible, as the cash situation permits. I would like to reassure you that we monitor the peacekeeping cash flow situation continuously, and attach high priority to maximize the quarterly payments based on the available cash and data. To do so, we depend on Member States meeting their financial obligations in full and on time, and also on the expeditious finalization of MOUs with contingent-owned equipment contributors.

**Chart 12** shows the breakdown of unpaid peacekeeping assessments as of 30 April 2018. Here, I am pleased to note that a payment has been received from China after the cut-off date, and China is now up to date with its payments. **Chart 13** provides an overview of outstanding amounts by peacekeeping operation. As seen in the chart, the outstanding \$2.3 billion comprises \$1.9 billion owed for active missions and \$414 million for closed missions. For active missions, \$798 million relates to 2018 assessments, while \$1.1 billion relates to assessments in 2017 and prior.

As shown in **Chart 14**, at 31 December 2017, 29 Member States had paid all peacekeeping assessments in full. Let me thank these 29 Member States, particularly because the letters of assessment are issued throughout the year for different missions whenever the Security Council renews the respective mandates. Moving on to **Chart 15**, more recently on 30 April 2018, 38 Member States had paid all peacekeeping assessments in full. Since the cut-off date, payments were received from Bhutan, China, Côte d'Ivoire, Cyprus, India, Israel, Nauru and the Russian Federation. I would like to pay tribute to those 46 Member States for their efforts.

Although the total cash available for peacekeeping (including the reserve) at the end of 2017 amounted to approximately \$3 billion, this amount is segregated in accordance with the General Assembly's decision to maintain separate accounts for each

mission. The General Assembly has specified that no peacekeeping mission should be financed by borrowing from other active peacekeeping missions. The use of the Peacekeeping Reserve Fund is restricted only to new operations and expansions of existing operations. **Chart 16** shows the breakdown of peacekeeping cash, which at the end of 2017 consisted of approximately \$2.7 billion in the accounts of active missions, \$177 million in closed missions accounts, and the Peacekeeping Reserve Fund with \$138 million.

### International Tribunals

As shown in **Chart 17**, as at 31 December 2017, 114 Member States had paid their assessed contributions for the international tribunals in full. I urge other Member States to follow their example. As reflected in **Chart 18**, at that date, the outstanding assessments for Tribunals amounted to \$47 million.

Looking at the more recent picture (in **Chart 19**), a total of \$83 million remained outstanding as of 30 April 2018. **Chart 20** provides more detail on the situation of the Tribunals. As of 30 April 2018, an overall total of \$83.2 million was unpaid, including amounts still outstanding for ICTR, which was last assessed in 2016.

As of 30 April 2018, 162 Member States had paid in full for ICTR, while 70 Member States had paid in full for ICTY and 66 for MICT. I would like to thank all Member States for their financial support to the Tribunals, and urge those Member States with pending assessments to complete their payments as soon as possible.

The month-by-month position of cash balances for the tribunals was positive in 2016, 2017 and 2018 as seen in **Chart 21**. Once again, the final outcome for 2018 will depend on Member States continuing to honour their financial obligations to the Tribunals.

### Financial Statements

As this is a briefing about the financial situation of the organization, I would like to bring to your attention some key figures from the financial statements of Volume I, that is for the regular budget, as well as voluntary, capital, tax equalization, insurance and other funds; and Volume II, for peacekeeping operations as seen in **Chart 22**. I would note that the audit of Volume I is still ongoing so these are preliminary results. Following the implementation of IPSAS, the Secretariat has been committed to enhancing transparency and access to financial information. The financial statements provide a holistic picture of the Organization, not only its cash flows, but its assets and liabilities.

The most recent financial statement for Volume I shows assets of \$8.3 billion for Volume I and \$5 billion for Volume II, mostly cash and investments, and property plant and equipment. After deducting the liabilities from the assets, the Organization has net assets of \$2.1 billion for Volume I and \$789 million for Volume II.

In terms of revenue and expenses, Volume I entities earned \$6 billion dollars, and spent \$5.8 billion, with a surplus of \$292 million. For Volume II, the surplus was \$11 million, generated by revenue of \$8,275 million and expenses of \$8,264 million.

### Conclusion

In conclusion, let me share with you the very latest situation as of today. Let me thank the 41 Member States that have paid all their assessments, as seen in **Chart 23**.

As always, Mr. Chairman, the financial health of our Organization depends on Member States meeting their financial obligations in full and on time. For our part, the Secretariat pledges to use funds entrusted to it in a cost-effective manner, and to provide information with the utmost transparency.