



Financial situation of the United Nations
Statement
by
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Fifth Committee of the General Assembly at its 76th session
5 May 2022

Mr. Chairman, Distinguished delegates,

I thank you for this opportunity to present to you the current financial situation of the United Nations. The Secretary-General has continued to actively engage with Member States on the liquidity situation of the Organization and today I will update you on the results of those interactions.

I will first focus on the regular budget, and then I will cover the financial situation of peacekeeping operations and the international tribunals. The cut-off date for this presentation is 30 April, but I will update you on developments in recent days as well. The presentation and my statement will be made available on the website of the Fifth Committee.

Regular budget

As you can see from **Chart 1**, monthly regular budget collections continue to fluctuate significantly each year, making it more difficult to implement the budget efficiently or effectively. The large collections towards the last quarter necessitate careful liquidity management to ensure that operations are not disrupted during the year.

The first quarter collections were 50% in 2020 and dropped to 43% in the first quarter of 2021 and dropped further to 42% for the first quarter of 2022. By the end of the second quarter, collections were 70% in 2020 and 80% in 2021. Collections in the third quarter are usually the weakest, with an increase from the end of the second quarter by only 1% in 2020 and 3% in 2021. Collections in the last quarter of 2020 were 26%, compared to 31% in 2021.

In the last quarter of 2021, we collected \$903 million compared to \$753 million during the same period in 2020. In 2021, we collected more in November than December. This is a welcome reversal of the pattern of collections in 2020, when more than \$300 million was received in the last ten days of the year.

At the end of April 2022, collections have fallen short of our estimate by \$202 million partially negating our positive start to the year.

As shown in **Chart 2**, the progressively more stringent cash conservation measures in 2020 and early 2021, have been effective in reducing the risk of a disruption in operations and also exhausting all liquidity reserves. These measures have resulted in the regular budget cash deficit occurring later each year besides reducing the size of the deficit since 2019. During 2018, borrowing from the Working Capital Fund occurred as early as May. In subsequent years, we have managed to postpone such borrowing until July in 2019, September in 2020 and November in 2021. It is worth noting

that the borrowing in November 2021 was also for a short period. In recent years, the deepest deficits have been \$488 million in October 2018, \$520 million in November 2019 and \$334 million in December 2020. In 2021, it was not necessary to use the Special Account or the cash available in closed peacekeeping operations.

While we may have averted a cash crisis and a disruption of operations, budget implementation and mandate delivery have been hampered by the tight expenditure controls. Several activities and outputs were postponed or cancelled, and these will be reflected in the performance reports.

Liquidity management has been effective, as shown in **Chart 2** – we are borrowing less and later each year. Management tools have been improved to deal with liquidity crises in the future. However, such tools cannot avert or deal with the looming liquidity crisis which is expected to recur in 2023 and deepen in 2024 due to the return of credits unless mitigation measures are approved by Member States. This vicious cycle of a liquidity shortage creating more such shortages, will create systemic under-performance in mandate delivery, unless the underlying issues are addressed.

Chart 3 shows the cash resources available at 31 December 2020 and 2021, and at 30 April 2021 and 2022. Due to large inflows in April and November 2021 and controlled spending until May, we ended the year with a regular budget cash surplus of \$307 million, compared to the deficit of \$160 million at the end of 2020. However, even though we started 2022 with a regular budget cash surplus, we are not in a better financial position now because collections for 2022 have lagged.

Chart 4 summarizes the status of regular budget assessments at the end of December in 2020 and 2021, and at the end of April in 2021 and 2022. We began 2021 with an unprecedented level of unpaid assessments of \$808 million. For the year 2021, assessments of \$2.96 billion were issued. The actions taken by Member States

during 2021 resulted in payments of more than \$3.33 billion being received. This had the effect of ending the year with unpaid assessments of \$434 million; the lowest level since 2016.

Again, while we started 2022 in a better financial position, we are currently worse off with lower collections by 30 April 2022. For 2022, assessments were issued at a level of \$2.93 billion, \$21 million less than in 2021. Payments received by 30 April 2022 totaled \$1.79 billion, resulting in an unpaid contribution of \$1.58 billion, compared to \$1.43 billion at the same time in 2021.

As seen in **Chart 5**, 153 Member States had paid their regular budget assessments in full by the end of 2021, a record number in more than 20 years and also nine more than at the end of 2020. I would like to thank those 153 Member States listed in **Chart 6**.

Chart 7, lists the 53 Member States on the Honour Roll that paid their regular budget assessments in full within the 30-day period specified in Financial Regulation 3.5. My special thanks to these 53 Member States for paying their assessments in full and on time.

Moving on to **Chart 8**, by 30 April 2022, 96 Member States had paid their assessments to the regular budget in full, two fewer than at the same date last year. I would note that since the cut-off date, Tunisia has paid their regular budget assessment in full. I would like to thank these Member States.

Next, **Chart 9** provides an overview of the unpaid regular budget assessments as of 30 April 2022, indicating the largest contributions outstanding.

Peacekeeping operations

As you know, peacekeeping has a different financial period from the regular budget, running from 1 July to 30 June rather than the calendar year.

As seen in **Chart 10**, the total amount outstanding for peacekeeping operations at the end of 2021 was \$1.4 billion compared to \$3.2 billion at the end of 2020. The lower amount of unpaid assessments was due to the partial assessment for the 2021/22 peacekeeping year as 2021 was the final year of the previously approved triennial scale. Assessments in 2021 were issued at a level of \$4 billion only compared to \$6.6 billion in 2020. Assessments up to April 2022 have been issued at a level of \$3.1 billion compared to \$0.8 billion in April 2021. Despite a slightly higher collection of \$1.6 billion by April in 2022 compared to \$1.5 billion by April in 2021, the overall unpaid assessments are higher by \$341 million.

Chart 11 provides an overview of unpaid assessments by peacekeeping operation. As seen in the chart, the \$2.8 billion outstanding at 30 April comprises \$2.4 billion owed for active missions and \$396 million for closed missions. For active missions, out of \$2.4 billion, \$1.6 billion relates to 2022 assessments, while \$826 million relates to assessments in 2021 and prior years.

As shown in **Chart 12**, by 31 December 2021, 56 Member States had paid all peacekeeping assessments that were due and payable. This was nine more compared to 31 December 2020. I thank the Member States listed in Chart 12.

Chart 13 shows the list of the 51 Member States who had paid all peacekeeping assessments due and payable by 30 April 2022, two fewer than the same date last year. Since the cut-off date, Guyana has also paid their assessments in full. I would like to thank these Member States for their efforts.

Chart 14 shows the breakdown of unpaid peacekeeping assessments as of 30 April 2022, with the largest contributions outstanding.

Before moving to the next chart, I would like you to recollect that, in its resolution 73/307, the General Assembly decided that the Secretary-General should issue assessment letters for peacekeeping operations for the full budget period, subject to the availability of rates of assessment for applicable years, including the period for which the mandate has not yet been approved by the Security Council, with the understanding that the ‘advance’ assessment will be considered due within 30 days of the effective date of the extension of the mandate. The absence of an approved scale for 2022 meant that assessments for the 2021/22 peacekeeping year could only be issued in July for the period up to 31 December 2021.

Chart 15 shows the amounts paid voluntarily by Member States since the implementation of this decision in 2019. Together with the General Assembly decision in resolution 73/307 to remove the restriction on cross-borrowing of cash for active missions, the assessment and collection for non-mandated periods has improved the overall liquidity of active peacekeeping operations. During 2021, although there was no approved scale of assessment for 2022, Member States made payments based on provisional estimates. I would like to take this opportunity to thank Member States who reached out and made advanced payments based on provisional amounts. In January 2022, \$518 million was assessed for peacekeeping operations for the ‘non-mandated’ period, the collections for January to April are shown in the chart. This has assisted with the overall liquidity which in turn has helped settle dues to troop/police contributing countries.

Chart 16 shows the 25 Member States that have paid in full for the entire peacekeeping year based on assessments issued for the 2021/22 peacekeeping year including for the non-mandated period.

I would like to thank these Member States for their additional payments to all peacekeeping operations.

Chart 17 shows the status of peacekeeping cash over the last three years. As of 30 April 2022, the cash balance consisted of approximately \$2.1 billion in the accounts of active missions, closed missions, and the Peacekeeping Reserve Fund. The use of the Peacekeeping Reserve Fund is restricted to new operations and expansion of existing operations, as stipulated in the Financial Regulations. The cash of each mission is delineated in a separate account as directed by the General Assembly and cross-mission borrowing is resorted to only when needed, based on the General Assembly resolution cited earlier. The cash in closed peacekeeping operations is used for borrowings for the regular budget as needed.

As **Chart 18** shows, as of 30 April 2022 the total liabilities for payments to Member States for troops, formed police units and contingent-owned equipment amounted to \$37 million for active peacekeeping missions and \$86 million for closed peacekeeping missions.

Payments for troops/formed police unit costs are current for all missions up to 31 March 2022 except UNAMID that was paid up to 31 March 2021. Contingent-owned equipment for active missions is paid up to 31 March 2022 except for UNAMID that was paid up to 31 December 2020. In resolution 73/307, while approving the management of the cash of active peacekeeping operations as a pool, the General Assembly also requested the Secretary-General to ensure that mandate implementation of the lending mission is not negatively impacted. Closing missions such as UNAMID are not normally given a loan from the cash pool of active peacekeeping operations due to the risk of delays in repayment of loans.

The next chart, **Chart 19**, shows the breakdown of payables to Member States, for the \$37 million due for active peacekeeping operations at the end of April.

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.

Mr. Saunders, the Assistant Secretary-General for Operational Support, will be providing a more detailed briefing in the coming days, on the status of reimbursements to troop- and police-contributing countries, as requested in resolution 73/307.

During the budget periods 2019/20, 2020/21 and 2021/22, the General Assembly's decision to allow cash-pooling among active peacekeeping operations has been instrumental in the earlier payment of dues of troop- and police-contributing countries than in the past.

International Tribunals

Moving on to the international tribunals, **Chart 20** provides details on the situation of the Tribunals. As seen in the chart, the total contribution outstanding for the Tribunals as of 30 April 2022 was \$91 million. This includes amounts outstanding for ICTR which was last assessed in 2016, for ICTY which was last assessed in 2018, and the most recent assessment for MICT in 2022.

Chart 21 shows the overall situation as of 30 April 2022, where 73 Member States had paid their assessed contributions in full for all the Tribunals compared to 76 Member States at 30 April 2021. Since the cut-off date, the Philippines has also paid their tribunal assessments in full. 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.

Chart 22 provides the breakdown of unpaid tribunal assessments as of 30 April 2022, with the largest contributions outstanding.

Next, **Chart 23** shows the monthly position of the overall cash balances for the tribunals over the last three years. The cash position is currently positive. However, the final outcome of 2022 will depend on Member States continuing to honour their financial obligations to the Tribunals.

Conclusion

In conclusion, **Chart 24** gives you an overview of the financial situation for all three categories of operations, as well as the evolution of the outstanding payments to troop/police contributing countries for active peacekeeping operations.

Chart 25 gives you the latest information on assessments. As of today, 5 May 2022, 43 Member States have paid all their assessments in full. On behalf of the Secretary-General, I would like to express my deep appreciation to these Member States.

As always, Mr. Chairman, the financial health of the Organization depends on Member States meeting their financial obligations in full and on time. The Secretariat continues to be fully committed to working with Member States towards achieving this objective.

The full and efficient implementation of our programme of work depends on the financial support of Member States through the adoption of realistic budget levels and the provision of timely contributions to ensure a stable and predictable financial situation

throughout the year. For our part, the Secretariat is committed to using the resources entrusted to it in a cost-effective and efficient manner, and to provide information to Member States with utmost transparency.

Thank you.
