



Financial situation of the United Nations

Statement

by

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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 continues 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 today's 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 difficult to safely commit funds in time for implementing 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. A healthy cash balance at the start of the year is therefore very important for effective and efficient programme delivery without liquidity restrictions.

The first quarter collections were 42% in 2022 and 2023 and have increased to 52% in 2024. By the end of the second quarter, collections were 58% in both 2022 and 2023. Final collections in 2022 and 2023 were 102% and 82% respectively.

In the last quarter of 2023, we collected \$548 million compared to \$896 million during the same period in 2022. For most of 2023, cumulative monthly collections trailed estimated collections and we ended the year trailing estimates by \$529 million. Cumulative collections of assessed contributions trailed estimates during each quarter of 2023 and are the lowest of the last five years in each quarter.

In 2024, at the end of April, collections have surpassed our estimate by \$244 million, due in part to collections of arrears. We have collected 71.8%, the largest since 2021 at the end of April. When there are large arrears in the previous period, collections at the beginning of the year tend to be greater.

As shown in **Chart 2**, the progressively more stringent cash conservation measures in 2020 and early 2021, were effective in reducing the risk of a disruption in operations or of 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. 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 and 2022, we borrowed the full amount of the Working Capital Fund towards the end of the year, but it was not necessary to use either the Special Account or the cash available in closed peacekeeping operations. However, in July 2023, as the liquidity for regular budget operations remained highly uncertain and unpredictable, we were forced to impose temporary suspension of hiring and also curtail non-post spending to ensure adequate liquidity for paying salaries and allowances to staff and other personnel as well as vendor commitments. We had to borrow from the Working Capital Fund in August and from the Special Account in October. We ended the year having exhausted the Working Capital Fund of \$250 million and a major part of the Special Account. The depletion of the regular budget liquidity reserves at the beginning of 2024 necessitated imposing earlier and more stringent cash-conservation measures for 2024.

Chart 3 shows the cash resources available at 31 December 2022 and 2023, and at 30 April 2023 and 2024. Despite starting 2023 with a regular budget cash surplus, we ended 2023 with a cash deficit of over \$400 million. While collections so far in 2024 have been better than anticipated, there is no room for complacency. The improved situation is partially due to payment of arrears but does not necessarily point to a better situation for the year-end compared to last year. The end of 2024 could be potentially as bad or worse than 2023, unless collections this year significantly exceed the average of the last five years.

Chart 4 summarizes the status of regular budget assessments at the end of December in 2022 and 2023, and at the end of April in 2023 and 2024. We began 2023 with unpaid assessments of \$330 million. Assessments of \$2.99 billion were issued during the year. Payments received from Member States during 2023 amounted to \$2.5 billion compared to over \$3.0 billion received in 2022. This had the effect of increasing the year-end unpaid assessments to \$859 million, a new record.

For 2024, assessments were issued at a level of \$3.22 billion, \$231 million more

than in 2023. Payments received by 30 April 2024 totaled \$2.4 billion, including \$545 million for prior period arrears, resulting in an unpaid contribution of \$1.7 billion, compared to \$1.8 billion at the same time in 2023.

As seen in **Chart 5**, 142 Member States had paid their regular budget assessments in full by the end of 2023, four fewer than at the end of 2022 and 11 fewer than at the end of 2021. By the end of April this year, 105 Member States had paid in full, eight more than the same time last year, a new high for this time of the year; I hope the final number of Member States paying in full by the end of the year will also be higher than last year.

I would like to thank the 142 Member States listed in **Chart 6** who paid in full their contributions for 2023.

Chart 7 lists the 51 Member States on the 2024 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 51 Member States for paying their assessments in full and on time. The number on the Honour Roll was 53 in 2023.

Moving on to **Chart 8**, by 30 April 2024, 105 Member States had paid their assessments to the regular budget in full. I would note that since the cut-off date, Botswana, Cambodia and Rwanda have paid their regular budget assessment in full. I would like to thank all 108 Member States.

Next, **Chart 9** provides an overview of the unpaid regular budget assessments as of 30 April 2024, indicating the largest contributions outstanding. Please note that the bank that receives our assessed contributions has confirmed the transfer of the Russian Federation's full amount on 5 April for payment to the United Nations, but those funds have not yet been credited by the bank to the United Nations account. In fact, we have just been informed that the funds have been returned by the bank to the Russian Federation.

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**, assessments of almost \$6.0 billion have been issued and \$5.6 billion had been received by the end of April 2024, resulting in an overall outstanding to peacekeeping operations of \$2.6 billion which also includes arrears. The actions taken by Member States in the next two months will determine the final situation of the current fiscal year.

Chart 11 provides an overview of unpaid assessments by peacekeeping operations. As seen in the chart, the \$2.6 billion outstanding at 30 April comprises \$2.1 billion owed for active missions and \$495 million for closed missions. For active missions, out of \$2.1 billion, \$1.8 billion relates to the current fiscal year while \$356 million relates to assessments in prior fiscal periods.

Chart 12 presents the status of assessed contributions for active peacekeeping operations for each of the past ten financial periods and the current fiscal year. This shows a worrisome trend as unpaid assessments have not gone down despite declining peacekeeping assessments. With only two months remaining in the current fiscal year, the unpaid contribution to assessment percentage is 36%. In order to avoid ending the year in a worse financial position, a minimum of about \$470 million is needed.

Without the prompt and decisive action of Member States to address the historical unpredictability and delays in the receipt of assessed contributions, peacekeeping missions will be unable to effectively implement their mandates. It is therefore crucial that Member States meet their financial obligations in full and on time in order for this situation to be addressed.

As shown in **Chart 13**, by 31 December 2023, 50 Member States had paid all peacekeeping assessments that were due and payable. This was one less compared to 31 December 2022. I thank the Member States listed in Chart 13.

Chart 14 shows the list of the 47 Member States who had paid all peacekeeping assessments due and payable by 30 April 2024, 15 fewer than the same date last year. I would note that since the cut-off date, Armenia, Botswana, Mongolia, Namibia, Nauru, Rwanda, Tunisia and Uzbekistan have paid their peacekeeping assessments that are due and payable in full. I would like to thank these 55 Member States for their efforts.

Chart 15 shows the breakdown of unpaid peacekeeping assessments as of 30 April 2024.

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.

Chart 16 shows the impact of this General Assembly decision. In July 2023, \$2.8 billion was assessed for peacekeeping operations for the 'non-mandated' period through 30 June 2024. The chart shows the amounts paid voluntarily by Member States against these assessments for 'non-mandated' periods for the past three fiscal years and the current period. 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 assisted with the overall liquidity which in turn has helped settle dues to troop/police contributing countries.

Since the adoption of resolution 73/307 in 2019, the non-mandated assessments have ranged between \$2.4 billion to \$2.8 billion with the exception of the 2021/22 fiscal year which was a transition fiscal year as it was based on two different triennial scales. Advance collections of between \$300 million to \$750 million were received against these

non-mandated assessments. These advance collections have provided positive liquidity to peacekeeping and allowed the Organization to become current in its obligations to troop/police contributing countries.

Chart 17 shows the status of peacekeeping cash over the last three years. As of 30 April 2024, the cash balance consisted of approximately \$1.4 billion in the accounts of active missions, closed missions, and the Peacekeeping Reserve Fund. As a mechanism to ease the liquidity problems, the General Assembly, in resolution 76/272, directed the use of the Peacekeeping Reserve Fund as the first choice for borrowing for active peacekeeping operations, retaining \$40 million to support new missions and the expansion of existing missions as originally intended for the Fund. The chart shows a decline in borrowings from the Peacekeeping Reserve Fund for the period between September 2023 to February 2024. Since March 2024, borrowing from the Peacekeeping Reserve Fund has again increased.

As **Chart 18** shows, as of 30 April 2024, the liabilities to Member States for troops, formed police units and contingent-owned equipment for active missions have been settled in full. The total liabilities for contingent-owned equipment amounted to \$30 million for closed peacekeeping missions. These amounts are pending settlement only because we are awaiting instructions from the respective Member States.

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.

During the past five budget periods, the General Assembly's decision to allow cash-pooling among active peacekeeping operations has enabled the earlier payment of dues of troop- and police-contributing countries than in the past.

International Tribunals

Moving on to the international tribunals, **Chart 19** provides details on the situation of the Tribunals. As seen in the chart, the total contribution outstanding for the Tribunals as of 30 April 2024 was \$73 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 2024.

Chart 20 shows the overall situation as of 30 April 2024, where 83 Member States have paid their assessed contributions in full for all the Tribunals compared to 84 Member States at 30 April 2023. Since the cut-off date, Armenia, Botswana, Cambodia, Rwanda and Uzbekistan have also paid their tribunal assessments in full. I would like to thank these 88 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 21 provides the breakdown of unpaid tribunal assessments as of 30 April 2024.

Next, **Chart 22** 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 2024 will depend on Member States continuing to honour their financial obligations to the Tribunals. In resolution 76/272, the General Assembly also decided that surplus cash in closed Tribunals can be used for regular budget liquidity, if needed, from January 2023. They were helpful in reducing the liquidity constraints during 2023 and are likely to be instrumental in reducing the impact on regular budget operations during 2024 also.

Conclusion

In conclusion, **Chart 23** 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 24 gives you the latest information on payments of assessments. As of today, 10 May 2024, 47 Member States have paid all assessments due and payable 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 Organization can only solve the liquidity crisis with the support of Member States - meeting their financial obligations in full and in a predictable and timely manner. The Secretary-General has urged you repeatedly to revisit his past proposals and review the liquidity challenges holistically. Your previous decisions have increased the liquidity for regular budget and peacekeeping operations but more is needed to prevent cyclical liquidity shortages, especially for regular budget operations.

Thank you.
