



**Financial situation of the United Nations  
Statement**

**by**

**Jan Beagle, Under-Secretary-General for Management**  
Fifth Committee of the General Assembly at its 72<sup>nd</sup> session  
6 October 2017

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

I shall discuss four main financial indicators:

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

The cut-off date for this report is 30 September, but I will update you on developments in the last days as well. The presentation will be available on the website of the Fifth Committee following this briefing.

**Chart 1** summarizes the status with respect to assessments as of 30 September 2016 and 30 September 2017.

**Chart 2** summarizes the status with respect to cash held as of 30 September 2016 and 30 September 2017, followed by an overview of outstanding payments to Member States as at these dates.

As you can see, the financial indicators for 2017 for peacekeeping operations and the tribunals remain generally sound and positive. However, regular budget cash is currently exhausted and reserves are at low levels. Severe cash problems will be experienced in the final months of 2017, unless sufficient contributions are received. Members will recall that this has been the situation experienced in previous years, and we ask all remaining Member States to pay their contributions to the regular budget as soon as possible. The final outcome will largely depend on incoming contributions in the remaining months of the year.

Cash balances are positive for peacekeeping operations and the tribunals. As always, the Secretariat is making every effort to process payments for TCC and COE expeditiously, and as a result, the level of outstanding payments to Member States currently reflects a significant decrease.

### Regular budget

Turning to the regular budget, as **Chart 3** shows, assessments in 2017 were slightly above the level in 2016. Payments received by 30 September 2017 were slightly below payments in 2016.

By 30 September 2017, 134 Member States had paid their regular budget contributions in full, eight more than the number a year ago (126 as seen in **Chart 4**).

We would like to thank these 134 Member States (see **Chart 5**). Since 30 September, Poland has joined this group. We urge the remaining 58 Member States that have not yet done so to pay their assessed contributions in full as soon as possible.

Cash resources for the regular budget under the General Fund, to which assessed contributions are paid, include the Working Capital Fund at the level of \$150 million set by the General Assembly, and the Special Account currently at a level of \$201 million. **Chart 6** shows the cash position at 30 September 2016 and 2017. On 30 September 2017, the cash shortfall was \$142 million, which was covered by the Working Capital Fund. Taking into account the reserves, a total of \$209 million cash was available at 30 September 2017.

The month-by-month regular budget cash position in 2015-2017 is shown in **Chart 7**. When you were last briefed in May, it was indicated that the regular budget cash position would experience some tightening as we draw closer to the end of the year. The regular budget experienced cash shortfalls in August and September this year. More severe cash problems will arise in the final months, unless sufficient contributions are received. We will continue to monitor the cash position closely. Clearly, the final cash position at the end of 2017 will depend largely on the payments to be made by the Member States in coming months.

The Working Capital Fund and Special Account amount to \$351 million, which is sufficient to cover only 6 weeks of regular budget operation. At 30 September only \$209 million remained. Sound financial management necessitates adequate cash reserves so that the United Nations can meet its financial obligations in a timely fashion. The level of the Working Capital Fund will be addressed as part of the Secretary-General's reform proposals.

### 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 calendar year; assessments are issued separately for each operation;

and, since assessment letters can only be issued through the mandate period approved by the Security Council for each mission, they are issued for different periods throughout the year.

(See **Chart 8**) A total of \$6.1 billion has been assessed for peacekeeping operations in 2017. Contributions received so far in 2017 amount to approximately \$5.4 billion. The total amount outstanding for peacekeeping operations at 30 September 2017 is approximately \$2.5 billion. This amount includes recent assessments for UNIFIL (\$419 million) and UNSOS (\$462 million) following the extension of mandates.

Due to the unpredictable amount and timing of peacekeeping assessments throughout the year and the differences in financial fiscal years of Member States, we understand that it can be more difficult for Member States to keep fully current with assessments. On 30 September 2017, 32 Member States had paid all peacekeeping assessments in full (**Chart 9**). Since 30 September, Angola and Denmark have joined this group. I would like to pay special tribute to these 34 Member States for their efforts.

The total cash available for peacekeeping at 30 September 2017 was approximately \$3.4 billion including the Peacekeeping Reserve account. **Chart 10** shows the breakdown of this amount among active missions with approximately \$3.1 billion, closed missions with \$174 million, and the Peacekeeping Reserve Fund with \$138 million.

The Secretariat continues to make every effort towards minimizing the level of outstanding payments. **Chart 11** shows the breakdown of outstanding payments at the end of 2015, 2016, and at present. As of 30 September, only \$1 million was owed to Member States for troops and formed police units— this is a record. As regards to contingent-owned equipment claims, \$404 million was owed for active missions and \$86 million for closed missions. These components add up to \$491 million, reflecting a significant reduction in the amounts owed.

For our part, Mr. Chairman, the Secretary-General is committed to meeting its obligations to Member States providing troops and equipment as quickly as possible. I would like to reassure you that we will continue to monitor the peacekeeping cash flow situation closely, and maximize payments based on available cash and data.

To do so, however, we depend on Member States meeting their financial obligations to the United Nations in full and on time, and also on the expeditious finalization of MOUs with troop contributors for provision of equipment.

#### International tribunals

Turning to the international tribunals, the overall financial position of the tribunals and the International Residual Mechanism for Criminal Tribunals (MICT) remains generally sound in 2017 (see **Chart 12**). With the closure of ICTR, assessments were only issued for ICTY and the MICT in 2017. On 30 September 2017, unpaid assessments for the tribunals amounted to \$49 million, which is lower, by \$6 million, than the amount outstanding on 30 September 2016.

By 30 September 2017, as shown in **Chart 13**, 106 Member States had paid their assessed contributions to the tribunals and the MICT in full, which is five more than the number in 2016. Let me express our sincere appreciation to those 106 Member States and urge other Member States to follow their example.

Once again, the final outcome of 2017 will depend on Member States continuing to honour their financial obligations during the remaining months of 2017 (see **Chart 14**).

**Chart 15** shows month-by-month position of cash balances for the international tribunals in 2015, 2016 and 2017. The cash position is currently positive, and is expected to remain solid through the year-end.

### Summary

In summary, Mr. Chairman, taking into account the situation as of today, let me thank the 31 Member States that have paid all their assessments (see **Chart 16**).

For our part, the Secretariat continues to improve its processes. For example, in June this year Member States were provided a new option to receive assessment letters through electronic copies transmitted by email. Eighty-seven Member States have already taken advantage of this option, and I encourage the remaining Member States to do so. This makes for a faster and more streamlined process.

The financial health of the Organization continues to depend on Member States meeting their financial obligations in full and on time. A sound cash flow is essential for the Organization to deliver on its mandates.