



Financial situation of the United Nations

Statement

by

Jan Beagle, Under-Secretary-General for Management

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I last briefed you in May this year. Since then, the Secretary-General has written to all Member States on 25 July, further to his letter of 11 January, and informed them of the troubling financial situation of the Organization.

I will focus today first 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 September, but I will update you on developments in recent days as well. The Powerpoint and my statement will be made available on the website of the Fifth Committee.

Regular budget

As you see from **Chart 1**, the cash situation of the regular budget continues to be precarious, with deficits becoming larger and arising earlier in the year. The regular budget shortfall, which was \$139 million as at 30 June, has reached \$365 million by 30 September, exhausting the reserves of \$353 million (that is \$150 million from the Working Capital Fund, and \$203 million from the Special Account).

At that date, the shortfall, after taking into account these reserves, was \$12 million. This was covered by borrowing from the accounts of closed peacekeeping operations.

As shown in **Chart 2**, unpaid assessments at the start of 2018 were \$531 million, higher by \$122 million than at the start of 2017. Assessments were issued in 2018 at a level of \$2.5 billion. While assessments in 2018 were \$91 million less than in 2017, unpaid contributions at 30 September 2018 were only \$7 million less than as at the same date in 2017. A total of \$1.1 billion remained unpaid at 30 September 2018.

As seen in **Chart 3**, by 30 September 2018, 141 Member States had paid their regular budget contributions in full, seven more than at the same date last year (134 as seen in the chart).

These 141 Member States are listed in **Chart 4**. Since the cut-off date of 30 September, the Democratic Republic of the Congo, Saudi Arabia and Yemen joined this group. Let me thank these 144 Member States for their payments in support of the work of the Organization and urge other Member States to follow their example.

Chart 5 provides an analysis of the \$1.1 billion outstanding as at 30 September 2018. For comparison purposes, the chart lists the largest contributions outstanding at that date, and also shows the outstanding amounts owed by these Member States as at 30 September 2017.

Chart 6 details the amounts outstanding at 30 September 2018 from all Member States who have not paid, or who have not yet paid in full, their assessed contributions. As I mentioned, three of these have since paid in full. I urge all remaining Member States to pay their outstanding contributions as soon as possible. The final outcome of 2018 will depend on the action taken by Member States.

Peacekeeping operations

Turning to 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.

As seen in **Chart 7**, a total of \$4.9 billion has been assessed for peacekeeping operations in 2018. Contributions received by 30 September 2018 amounted to approximately \$4.3 billion. As at 30 September 2018, the total amount outstanding for peacekeeping operations was slightly above \$2.5 billion.

As **Chart 8** shows, as at 30 September, \$92 million was owed to Member States for troops and formed police units. For contingent-owned equipment claims, \$43 million was owed for active missions and \$86 million for closed missions. Payments for troops and formed police units are current for all missions up to July 2018 except for MINUJUSTH, MINURSO, UNFICYP and UNISFA; contingent-owned equipment claims are current for all missions up to June 2018 except for MINUJUSTH, MINURSO, UNFICYP and UNAMID.

Of the total \$221 million, \$9 million for troop and formed police units for UNFICYP and UNISFA, and \$24 million for contingent-owned equipment claims for UNAMID, have been paid in October.

The next chart, **Chart 9**, shows the breakdown of the \$221 million by Member State as at 30 September 2018.

The Secretary-General is committed to meeting obligations to Member States providing troops and equipment as quickly as possible, as the cash situation permits. I would like to reassure Member States that we will continue to monitor the peacekeeping cash flow 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 contingent-owned equipment contributors.

Chart 10 shows the breakdown of unpaid peacekeeping assessments as of 30 September 2018. For comparison purposes the chart also lists amounts outstanding from these Member States as of 30 September 2017. Here, I would note that payments were received from the United States, France and Italy after the cut-off date.

Chart 11 provides an overview of outstanding amounts by peacekeeping operation. As seen in the chart, the \$2.5 billion outstanding as at 30 September comprises approximately \$2.1 billion owed for active missions and \$426 million for closed missions.

As seen in **Chart 12**, by 30 September 2018, 41 Member States had paid all peacekeeping assessments in full. Since the cut-off date, Azerbaijan, Cuba, Democratic Republic of the Congo, Greece, India, Kuwait, the Republic of Korea, Saint Vincent and the Grenadines, Slovakia, Solomon Islands and Tuvalu joined the group. I would like to pay tribute to those 52 Member States.

Chart 13 shows the breakdown of peacekeeping cash among active missions with approximately \$1.6 billion, closed missions with \$153 million, and the Peacekeeping Reserve Fund with \$141 million.

Although the total cash available for peacekeeping at 30 September 2018 was approximately \$1.9 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 from other active peacekeeping missions. The use of the Peacekeeping Reserve Fund is restricted to new operations and expansion of existing operations.

International tribunals

Moving on to the international tribunals, **Chart 14** shows the overall status of assessments of the tribunals and the International Residual Mechanism for Criminal Tribunals (MICT). As at 30 September 2018, the total amount outstanding for the tribunals was \$68 million, higher than one year ago by \$19 million.

Chart 15 provides more detail on the situation of the tribunals. As seen in the chart, the \$68.2 million outstanding as of 30 September comprises \$7.7 million for ICTR, \$30.1

million for ICTY, and \$30.4 million for MICT. As of 30 September, 104 Member States had paid in full for ICTY and 62 for MICT. The lower number for MICT is due to the more recent assessment, which was issued in July following the approval of the appropriation for MICT on 5 July 2018. For ICTR, which was last assessed in 2016, a total of 165 Member States have paid in full.

Chart 16 shows the breakdown of the total amount outstanding as of 30 September 2018. For comparison purposes the chart also lists the amounts outstanding from these Member States as of 30 September 2017.

As seen in **Chart 17**, by 30 September 2018, 58 Member States had paid their assessed contributions for all tribunal operations in full. Since the cut-off date, payments were received from Azerbaijan, Bulgaria, Cuba, Democratic Republic of the Congo, Estonia, India, Iraq, Italy, Jordan, Malaysia, Malta, Panama and Tuvalu, making them fully paid for the international tribunals. I would like to thank all Member States for their financial support to the tribunals and urge those Member States with outstanding assessments to complete their payments as soon as possible.

Chart 18 summarizes the outstanding assessments for tribunals at year-end, and at 30 September 2018.

Next, **Chart 19** shows the month-by-month 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 2018 will depend on Member States continuing to honour their financial obligations during the remaining months of 2018.

Conclusion

In conclusion Madam Chair, let me share with you the latest situation as of today. As seen in **Chart 20**, 43 Member States have paid all their assessments. The Secretary-General expresses his deep appreciation to these Member States.

As always, Madam Chair, the financial health of the Organization depends 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.

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