



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, which unfortunately has deteriorated for regular budget operations since my last briefing to you.

I will focus first on the regular budget, and then I will cover the financial situation of peacekeeping operations and the international tribunals. 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 plan the implementation of the budget efficiently or effectively. This year, we collected \$18 million less than we anticipated in the first quarter. Collections continued to trail estimates throughout the year so far, the gap being \$69 million at the end of the second quarter and growing to \$216 million at the end of the third quarter. And this despite the fact that more Member States

were paying in full from May till August, compared to similar periods since 2001. Although collections were lagging, we initially did not see reason for concern, because we had started the year with a healthy cash balance. However, by July it became apparent that the liquidity situation was declining more than we had anticipated, due to the continuing shift in payment patterns of Member States, the increase in post adjustments and the increase in hiring. Therefore, the Secretary-General decided to impose temporary hiring restrictions as a prudent measure to manage the evolving situation. We had to borrow the full amount of the Working Capital Fund in August to ensure sufficient cash to meet our payroll obligations. Unfortunately, collections in September did not materialize to the level that we had anticipated. As a result, we will need to borrow the full amount from the Special Account in October, leaving us only about \$130 million of surplus cash in the Closed Tribunals as a last liquidity buffer. We now await the outcome of the fourth quarter. All through the year, we had been hopeful that we would collect 100 per cent of assessments in 2023; that seems improbable now, potentially reversing a healthy trend of the last 2 years.

As we have said on several occasions in recent years, predictability in the timing and amount of collections is critical for managing the Organization's cash outflows and planning spending properly and safely without risk of payment default. We, therefore, appeal to Member States who paid earlier this year to commit to their new positive payment patterns. We also appeal to other Member States to commit to paying earlier and to communicate their plans for payment as early as possible. The more confident we can be about collections, the greater will be our ability to commit funds when we need them for programme delivery.

As shown in **Chart 2**, stringent cash conservation measures were effective during the last few years in increasing liquidity for ensuring business continuity and reducing the risk of disruptions by exhausting reserves, including the surplus cash of closed peacekeeping missions. During these years, the regular budget cash deficit occurred later in the year due to these measures. The first borrowing occurred in May in 2018, July in 2019, September in 2020, and November in 2021. Last year, we borrowed from the Working Capital Fund in September, and this year we borrowed earlier in August. While the maximum cash deficit had been reducing each year since 2019, this year we expect a reversal of that trend, and we may exhaust all our liquidity reserves and borrow from the closed tribunals.

Spending restrictions in the last few years may have averted a cash crisis and a disruption of operations; however, they hampered budget implementation and mandate delivery. Several activities and outputs were either postponed or cancelled. In 2021, despite relaxing the restrictions on hiring and spending in May, we saw the lowest rate of budget implementation since 2010. In 2022, no spending restrictions were necessary, and the implementation rate was nearly 99.3 per cent. Unfortunately, in 2023 the trend has been reversed with hiring restrictions imposed in July. While we hoped that this would be a temporary restriction that could be lifted in the third quarter, collections have lagged, forcing us to impose some restrictions on non-post spending also in late September. These restrictions will obviously have a detrimental effect on programme and mandate delivery, though programme managers are striving to mitigate the impact, especially on the work of intergovernmental bodies.

Chart 3 shows the cash resources available on 30 September and 31 December of last year, and on 30 September this year. The comparison between the situation in September of both years shows the impact of the timing of collections. Last year, we borrowed from the Working Capital Fund in September as collections came after the payroll deadline, however we did not use these funds. This year we borrowed the full amount from the Working Capital Fund in August and used the funds in September to meet our expenses. This year, we have collected only about 64 per cent of the year's assessments, the lowest in the last five years. Last year, we ended the year with a healthy cash surplus after collecting more than 102 per cent of assessments. Unfortunately, we expect this positive trend to reverse in 2023. If collections in the fourth quarter do not pick up significantly, we could end 2023 even with a cash deficit that would worsen liquidity pressure in 2024.

Chart 4 summarizes the status of regular budget assessments on 30 September 2022 and 2023. In 2023, assessments were \$55 million above the level in 2022. By 30 September 2023, we received \$227 million less than the same period in 2022. The Chart also reflects an increase in unpaid assessments from \$1.2 billion as of 30 September 2022 to \$1.3 billion as of 30 September 2023, indicating a worrisome trend. Collections in the final quarter remain critical for the outcome of 2023. We hope collections will pick up as large arrears deplete liquidity reserves.

As seen in **Chart 5**, 137 Member States have paid their regular budget assessments in full by 30 September 2023, compared to 131 Member States as of 30 September 2022. We hope we can exceed the 2021 record of 153

Members States paying in full by year-end. **Chart 6** lists the 137 Member States that have paid their assessed contributions in full. I would like to thank those Member States for their regular budget contributions. I would also like to acknowledge that we have received advance payments for 2024 from India, Nauru and Ukraine. We appreciate the efforts of Member States to make advance payments and we stand ready to provide estimates for any Member State that is interested in making advance payments.

Chart 7 shows the 56 Member States who were yet to pay their assessments to the regular budget in full as of 30 September 2023, six fewer than September last year.

Chart 8 provides a comparative view of the largest outstanding assessments for the regular budget as of 30 September 2022 and 2023.

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.

Chart 9 shows the status of peacekeeping assessments and collections by September, for the five most recent fiscal years. By September 2023, assessments issued for the 2023/24 fiscal year amounted to \$3.6 billion, with \$3.1 billion of it being assessed in July for mandated periods. The lower assessments for the period July to September 2023 compared to the same period in the 2022/23 fiscal year reflect the reduced requirements following the termination of MINUSMA and the General Assembly's authorization of a commitment authority until the end of December 2023. Total payments and credits in the last four fiscal years have ranged from \$2.6 billion to \$3.7 billion, resulting in unpaid contributions as a percentage of assessments, ranging from 63 per cent to 87 per cent. For the current fiscal year, this percentage rises to 92 per cent. Unless this trend is reversed by Member States making payments in full and on time, the current liquidity problems facing peacekeeping operations will continue and impact the reimbursement of troop and police contribution countries.

As shown in **Chart 10**, on 30 September 2023, 41 Member States had paid all peacekeeping assessments in full. This was two fewer than on 30 September 2022. I would like to pay tribute to these Member States for their efforts. Since the cut-off date, Finland, Italy and Slovenia have also paid their assessments in full, bringing the count of fully paid Member States to 44.

Chart 11 provides an overview of outstanding amounts by peacekeeping operation. As seen in the chart, the \$3.3 billion outstanding on 30 September 2023 comprises \$2.8 billion owed for active missions and \$509 million for closed missions. For active missions, out of \$2.8 billion, \$1.9 billion relates to 2023/24 assessments and \$822 million relates to assessments in 2022/23 and prior years.

Chart 12 shows the unpaid peacekeeping assessments as of 30 September 2023 for Member States. For comparison, the chart also lists amounts outstanding from these Member States as of 30 September 2022.

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 assessments for peacekeeping operations for the full budget period, 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 13 shows the impact of this General Assembly decision. In July 2023, an amount of \$2.8 billion was assessed for peacekeeping operations for the ‘non-mandated’ period through 30 June 2024. Comparatively, such assessments for ‘non-mandated’ periods were \$2.5 billion for 2022/23 and only \$899 million for 2021/22. The lower amount for 2021/22 was due to the non-availability of scales for January to June 2022. This chart shows the amounts paid voluntarily by Member States against these assessments.

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.

Chart 14 shows those Member States that have paid in full for the period to 30 June 2024 including the non-mandated period. I would like to thank these 14 Member States for their additional payments to all peacekeeping operations.

Chart 15 shows the status of peacekeeping cash over the last three years. As of 30 September 2023, the cash balance consisted of approximately \$2.2 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 the drawdown of the Peacekeeping Reserve Fund from July 2022 as it became the first lender for active missions requiring cash infusion.

As **Chart 16** shows, on 30 September 2023, the total liabilities for payments to Member States for troops, formed police units and contingent-owned equipment amounted to \$48 million for active and closing peacekeeping operations and \$30 million for closed peacekeeping missions. Following the decision of Member States in General Assembly resolution [76/280](#), to settle the long outstanding dues for closed peacekeeping missions, the outstanding dues have come down to \$30 million. Most Member States have provided their instructions and the balance of \$30 million will be settled as soon as the requisite instructions are received from the respective Member States.

Payments for contingent-owned equipment and troops/formed police unit costs are settled for all missions up to 30 June 2023 except MINUSMA and UNAMID. General Assembly resolution [76/272](#) extended the management of the cash of active peacekeeping operations as a pool for an additional five years; since the General Assembly had also requested the Secretary-General, in resolution [73/307](#), to ensure that mandate implementation of the lending mission is not negatively impacted by such cash pooling, UNAMID and MINUSMA are not given any loan from the cash pool due to the risk of delays in repayment of loans.

Chart 17 shows the breakdown of the overall amount owed for troop and formed police units and for contingent-owned equipment to Member States on 30 September 2023.

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 also depend on the expeditious finalization of MOUs with contingent-owned equipment contributors. As requested by the General Assembly in resolution [73/307](#), quarterly briefings are being organized for Member States

on the status of these reimbursements and the actions taken for their timely settlement.

International Tribunals

Moving on to international tribunals, **Chart 18** provides details on the situation of the Tribunals. As seen in the chart, the total contributions outstanding for the Tribunals as of 30 September 2023 are \$60 million. This includes amounts outstanding for ICTR, which was last assessed in 2016, and for ICTY, which was last assessed in 2018, and the most recent assessment for MICT in 2023.

Chart 19 shows the overall situation as of 30 September 2023, where 111 Member States had paid their assessed contributions in full for all the Tribunals, four more than on 30 September 2022. Since the cut-off date, Guinea and Ukraine have also paid their Tribunal assessments in full, bringing the total count of Member States to 113. 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 20 provides the breakdown of unpaid tribunals assessments as of 30 September 2023, with the largest contributions outstanding. For comparison purposes the chart also lists amounts outstanding from these Member States on 30 September 2022.

Next, **Chart 21** shows the month-by-month position of the overall cash balances for the tribunals over the last three years. As per General Assembly resolution 76/272, the surplus cash in closed tribunals may be used for regular budget liquidity if needed, from January 2023. The final outcome of 2023 will depend on Member States continuing to honour their financial obligations to the Tribunals.

Conclusion

In conclusion, **Chart 22** summarizes the status of assessments and unpaid assessments for each of the three categories of operations at the end of the last two years as well at the end of the third quarter for comparison purposes. Unpaid assessments for the regular budget and tribunals are higher this year but lower for peacekeeping operations compared to a similar period last year.

The Chart also provides an overview of the evolution of the cash 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. The outstanding payments to Member States amounted to \$78 million compared to \$112 million on 30 September 2022. As a result of the General Assembly decision to continue cash pooling, we were able to settle payments except for MINUSMA and UNAMID which do not benefit from cash pooling as explained earlier.

Chart 23 gives you the very latest information on payments as of today, 9 October 2023, 36 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 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.

I would like to take this opportunity to express my gratitude to Member States for heeding the Secretary-General's repeated calls for predictable and timely payments to help improve the financial situation of the United Nations.

Thank you.