



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 is grateful that Member States responded to his repeated appeals and proposals to address the liquidity crisis, to make some positive decisions during the second resumed session of the General Assembly. I will elaborate on these decisions later in the presentation.

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 \$21 million more than we anticipated in the first quarter. But collections trailed estimates from April to almost the end of September, the gap being more than \$250 million for nearly four months and a peak of \$279

million at the end of the second quarter. Although collections were lagging, we did not see reason for concern, firstly because we had started the year with a healthy cash balance, and secondly, because several Member States had informed us about their payment plans. However, in September, we had to borrow the full amount of the Working Capital Fund to ensure sufficient cash to meet our payroll obligations. Fortunately, large collections towards the end of September resulted in collections exceeding estimates by \$62 million. We now await the outcome of the fourth quarter from two perspectives: first, that total collections in the quarter result in a lower year-end arrears than last year, and second, that we collect more in November than December, similar to 2021, as such a pattern reduces uncertainty for last quarter spending.

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. 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. The more we collect early, the greater will be our confidence in committing 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. Unfortunately, this year, we had to borrow from the Working Capital Fund in September, earlier than last year. The maximum cash deficit has also been reducing each year since 2019 and we are optimistic that we will not have to borrow from closed peacekeeping missions this year.

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. Combined with cancellation of commitments from the previous year, we would be returning \$279 million to Member States as part of their 2023 assessments. Fortunately, Member States' decided in June to use \$100 million of these unspent funds to increase, "on an exceptional basis and

without setting a precedent”, the Working Capital Fund. This decision is both timely and helpful, as the return of \$279 million would have triggered a liquidity crisis again.

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 did not borrow in September, but this year we did, because collections came after the payroll deadline. Last year, we ended the year with a cash surplus after several years. We expect to end 2022 with a cash surplus again, but how much will depend on collections in the fourth quarter. We are reasonably certain that this will be less than last year, because we assessed nearly \$77 million less than the budget due to return of unspent funds.

Chart 4 summarizes the status of regular budget assessments on 30 September 2021 and 2022. In 2022, assessments were \$21 million below the level in 2021. But we also received less payments by 30 September 2022, \$308 million less than the same time last year. The Chart also reflects a reduction in unpaid assessments from \$1.3 billion as of 30 September 2021 to \$1.2 billion as of 30 September 2022 because we started the year with less outstanding assessments than last year. As mentioned earlier, by the end of September, we have collected \$62 million more than estimated; collections in the final quarter remain critical for the outcome of 2022. We hope the year-end arrears will remain stable or decrease further, as large arrears deplete liquidity reserves.

As seen in **Chart 5**, 131 Member States have paid their regular budget assessments in full by 30 September 2022, compared to 130 Member States as of 30 September 2021. We hope we can exceed the 2021 record of 153 Member States paying in full by year-end. **Chart 6** lists the 131 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 received advanced payments for 2023 from India and Nauru. We appreciate the efforts of Member States to make advanced payments and we stand ready to provide estimates for any Member State that is interested in making advanced payments.

Chart 7 shows the 62 Member States who were yet to pay their assessments to the regular budget in full as of 30 September 2022, one less

than September last year. I would note that since the cut-off date, Guinea has paid in full, bringing the count of fully paid Member States to 132.

Chart 8 provides a comparative view of the largest outstanding assessments for the regular budget as of 30 September 2021 and 2022.

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 during 2022. Assessments during 2022 totalled \$7.4 billion, with \$3.8 billion of it being assessed in July for the fiscal year 2022/23 for mandated periods. Assessments in 2022 were higher because a part of 2021/22 was only assessed in January after a new approved scale of assessment was available. The collections as of 30 September 2022 amounted to \$5.0 billion and the total amount outstanding on 30 September 2022 was \$3.7 billion, compared to \$2.3 billion on 30 September 2021.

As shown in **Chart 10**, on 30 September 2022, 43 Member States had paid all peacekeeping assessments in full. This was one more than on 30 September 2021. I would like to pay tribute to these Member States for their efforts. Since the cut-off date, Kiribati, Mozambique, Namibia and the United Kingdom of Great Britain and Northern Ireland have also paid their assessments in full.

Chart 11 provides an overview of outstanding amounts by peacekeeping operation. As seen in the chart, the \$3.7 billion outstanding on 30 September 2022 comprises \$3.3 billion owed for active missions and \$396 million for closed missions. For active and closing missions, out of \$3.3 billion, \$2.7 billion relates to 2022 assessments, while \$621 million relates to assessments in 2021 and prior.

Chart 12 shows the unpaid peacekeeping assessments as of 30 September 2022 for Member States. For comparison, the chart also lists amounts outstanding from these Member States as of 30 September 2021.

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 2022, an amount of \$2.5 billion was assessed for peacekeeping operations for the ‘non-mandated’ period through 30 June 2023. Comparatively, such assessments for ‘non-mandated’ periods were \$2.5 billion for 2020/21 and only \$381 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 continue to improve the overall liquidity of active peacekeeping operations.

Further, 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.

Chart 14 shows those Member States that have paid in full for the period to 30 June 2023 including the non-mandated period. I would like to thank these 17 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 2022, the cash balance consisted of approximately \$2.4 billion in the accounts of active missions, closed missions, and the Peacekeeping Reserve Fund. The cash of each mission is delineated in a separate account as directed by the General Assembly and cross-mission borrowing is resorted to when needed, based on the General Assembly resolution cited earlier. Also, as mentioned earlier, the General Assembly has directed the use of the peacekeeping reserve fund as the first source for borrowing for peacekeeping operations.

As **Chart 16** shows, on 30 September 2022, the total liabilities for payments to Member States for troops, formed police units and contingent-

owned equipment amounted to \$26 million for active and closing peacekeeping operations and \$86 million for closed peacekeeping missions. Following the decision of Member States in General Assembly resolution [76/280](#), the \$86 million for closed peacekeeping missions will be settled in early 2023.

Payments for contingent-owned equipment and troops/formed police unit costs are settled for all missions up to 30 June 2022 except 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 is 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 2022.

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 2022 are \$55 million. This includes amounts outstanding for ICTR, which was last assessed in 2016 and for ICTY which was last assessed in 2018.

Chart 19 shows the overall situation as of 30 September 2022, where 107 Member States had paid their assessed contributions in full for all the Tribunals, three less than on 30 September 2021. Since the cut-off date, Oman

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 20 provides the breakdown of unpaid tribunals assessments as of 30 September 2022, with the largest contributions outstanding. For comparison purposes the chart also lists amounts outstanding from these Member States on 30 September 2021.

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 will be used for regular budget liquidity if needed, from January 2023.

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 lower this year but higher 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 \$112 million compared to \$174 million on 30 September 2021. As a result of the General Assembly decision to continue cash pooling, we were able to settle payments except for UNAMID which does not benefit from cash pooling as explained earlier.

Chart 23 gives you the very latest information on payments as of today, 13 October 2022, 38 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.

The Secretary-General provided an updated report last year on improving the financial situation of the Organization, and during the second resumed session this year, Member States agreed to a \$100 million increase in the Working Capital Fund, using a part of the \$279 million surplus returnable in 2023. The General Assembly also approved the use of the surplus cash in closed Tribunals for regular budget liquidity, while approving the return of the surplus cash in closed peacekeeping missions.

We hope that, with these approved measures, spending restrictions will not be needed over the next few years. This will allow us to focus on programme delivery instead of liquidity management. However, we will continue monitoring the cash flows carefully and reach out regularly to Member States to ensure that cash shortages do not pose a risk to operations. We would also like to emphasise the importance of Member States communicating or pledging the timing of their payments as this is critical for effective financial management of our Organization.

The General Assembly also approved the continued use of cash pooling for active missions for an additional five years, as well as the use of a part of the Peacekeeping Reserve Fund for liquidity management for peacekeeping operations. These decisions will help the timely settlement of dues to troop and police contributing countries.

I would like to take this opportunity to express my gratitude to Member States for heeding the Secretary-General's repeated calls for some structural adjustments to address the systemic problems impacting the financial situation of the United Nations.

Thank you.