

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Updated financial position of closed peacekeeping missions as at 30 June 2011

Statement by the Chairman of the Advisory Committee on Administrative and Budgetary Questions to the Fifth Committee

(ACABQ report A/66/713)

Mr. Chairman,

I am pleased to introduce the Advisory Committee's report on the updated financial position of closed peacekeeping missions as at 30 June 2011. The Advisory Committee notes that, as at 30 June 2011, 18 of the 23 closed peacekeeping missions had cash surpluses available for credit to Member States totalling approximately \$27.6 million; and 5 missions had cash deficits totalling \$86.8 million.

The Committee notes with concern the increase in borrowing from the accounts of closed peacekeeping missions with cash surpluses in order to meet the cash flow requirements of active peacekeeping missions with cash deficits, mainly because of the unpredictability in the receipt of assessed contributions. The Committee is of the view that the cash flow requirements of active peacekeeping missions should be delinked from the cash surpluses of closed peacekeeping missions that should be returned to Member States.

The Advisory Committee notes that the Secretary-General proposes either to borrow, or to transfer permanently, a portion of the \$335.5 million unencumbered balance of the special account for the African Union-United Nations Hybrid Operation in Darfur (UNAMID) as at 30 June 2011 in order to settle the amount owed to troop- and police-contributing countries by closed peacekeeping missions that are in cash deficit.

The Committee recommends against the proposals because they would only be a temporary remedy which would not address the root cause of the problem and would entail utilizing resources due to Member States that have paid their assessed contributions in full to meet the financial obligations to the Organization of Member States that have not paid their assessed contributions.

In this regard, the Committee recommends that the General Assembly request the Secretary-General to submit concrete proposals both to address the issue of outstanding dues to Member States from closed peacekeeping missions that are in net cash deficit; and for a long-term solution to the cash shortfalls for active missions that currently can only be met by borrowing from closed peacekeeping missions. In this regard, the Committee also considers that, in doing so, some proposals that were made in the past, could be revisited such the proposal to apply available credits against outstanding contributions.

In light of the reduced cash balance as at 30 June 2011, the Advisory Committee further recommends that the General Assembly approve the retention of the cash surplus of \$27.6 million as at 30 June 2011.