



**Financial situation of the United Nations**  
**Statement**  
**by**  
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**Management Strategy, Policy and Compliance**

Fifth Committee of the General Assembly at its 73<sup>nd</sup> session  
7 May 2019

I am pleased to present to you the current financial situation of the United Nations. Since I briefed you last October, the Secretary-General has briefed the General Assembly on 1 March 2019, and issued a report (A/73/809) on 26 March 2019, on improving the financial situation of the United Nations. As you know, in that report, he detailed a set of measures to address the liquidity problems, as well as broader structural issues that constrain budget management. This report has been considered by the ACABQ, and is scheduled to be considered by the Fifth Committee on 28 May 2019. Accordingly, I will not address that report at this time.

Today, I will focus 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 April, 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 regular budget has been facing severe liquidity issues in recent years, with cash deficits occurring earlier in the year, becoming larger, and lingering for longer periods.

At the end of October 2018, the regular budget cash deficit reached its highest at \$488 million, following shortfalls starting as early as the end of May. In October, the reserves of \$353 million (that is \$150 million from the Working Capital Fund, and \$203 million from the Special Account) had been completely exhausted. The deficit, after

taking into account these reserves, was \$135 million. This was covered by borrowing from the accounts of closed peacekeeping operations.

**Chart 2** shows the cash resources available as at 31 December 2017 and 2018, and as at 30 April 2018 and 2019. At the end of 2018, the regular budget cash shortfall was \$323 million. The cash position had improved to \$484 million by 30 April 2019, as a result of the contributions from Member States in the first quarter of the year.

**Chart 3** summarizes the status of regular budget assessments as at 31 December 2017 and 2018, and 30 April 2018 and 2019. In 2019, assessments were issued at a level of \$2.85 billion, that is \$362 million above the level in 2018. Payments received by 30 April 2019 totalled \$1.7 billion. Unpaid assessed contributions at 30 April 2019 amounted to \$1.7 billion, higher than one year ago by \$146 million.

As seen in **Chart 4**, 152 Member States had paid their regular budget assessments in full by the end of 2018, seven more than at the end of 2017. I would like to thank those 152 Member States which are listed in **Chart 5**.

Moving on to **Chart 6**, as at 30 April 2019, 89 Member States had paid their assessments to the regular budget in full, one more than at the same date last year. I would note that since the cut-off date, China and Uzbekistan have paid in full.

Next, **Chart 7** provides an overview of the unpaid regular budget assessments as of 30 April 2019, indicating the largest contributions outstanding.

### 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. Assessments are issued separately for each operation; and, assessment letters are issued for different periods throughout the year, depending on the expiration of the mandates of the individual missions.

As seen in **Chart 8**, the total amount outstanding for peacekeeping operations at the end of 2018 was \$1.5 billion. By 30 April 2019, new assessments had been issued at a level of \$3.3 billion, and payments received amounted to \$2.7 billion. As of 30 April 2019, \$2.1 billion was outstanding. This includes unpaid assessments of \$205 million for MONUSCO, which was very recently assessed on 5 April 2019.

**Chart 9** provides an overview of outstanding amounts by peacekeeping operation. As seen in the chart, the \$2.1 billion outstanding as at 30 April comprises \$1.7 billion owed for active missions and \$414 million for closed missions. For active missions, out of \$1.7 billion, \$1.1 billion relates to 2019 assessments, while \$562 million relates to assessments in 2018 and prior.

As shown in **Chart 10**, at 31 December 2018, 45 Member States had paid all peacekeeping assessments in full. That was an improvement on 2017.

**Chart 11** shows the data as of 30 April 2019. 45 Member States had paid all peacekeeping assessments in full, seven more than at the same time last year. Since the cut-off date, Italy and Jamaica have also paid all peacekeeping assessments in full. I would like to pay tribute to these Member States for their efforts.

**Chart 12** shows the breakdown of unpaid peacekeeping assessments as of 30 April 2019, with the largest contributions outstanding. I would note that payments were received from the United Kingdom after the cut-off date.

Although the total cash available for peacekeeping (including the reserve) at the end of 2018 amounted to \$1.45 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 by borrowing from other active peacekeeping missions. The use of the Peacekeeping Reserve Fund is restricted to new operations and expansion of existing operations. **Chart 13** shows the breakdown of peacekeeping cash, which at the end of 2018 consisted of approximately \$1.28 billion in the accounts of active missions, \$23 million in closed missions accounts, and the Peacekeeping Reserve Fund with \$141 million.

As **Chart 14** shows, as at 30 April 2019, \$339 million was owed to Member States for troops and formed police units. For contingent-owned equipment claims, \$584 million was owed for active missions and \$86 million for closed missions.

Payments for troops/formed police unit costs are current for all missions up to January 2019 except MONUSCO, UNMISS, MINUJUSTH, MINUSMA and MINURSO. Contingent-owned equipment for active missions are current up to December 2018 except for MONUSCO, UNMISS, MINUJUSTH, UNSOS and MINURSO.

The next chart, **Chart 15**, shows the breakdown of the estimated overall amount owed for troop and formed police units and for contingent-owned equipment by Member State as at 30 April 2019.

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 depend on Member States meeting their financial obligations in full and on time, and also on the expeditious finalization of MOUs with contingent-owned equipment contributors.

### International Tribunals

Moving on to international tribunals, **Chart 16** provides details on the situation of the Tribunals. As seen in the chart, the total contributions outstanding for the Tribunals as of 30 April 2019 was \$90 million. This includes amounts outstanding for ICTR, which

was last assessed in 2016, for ICTY, which was last assessed in 2018, and the MICT which was assessed in 2019.

As of 30 April 2019, 173 Member States for ICTR, 130 Member States for ICTY, and 67 Member States had paid in full for MICT. 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 17** shows the overall situation as of 30 April 2019, where 65 Member States had paid their assessed contributions in full for all the Tribunals. Since the cut-off date, Belgium and Uzbekistan have also paid their tribunals assessment in full.

**Chart 18** provides the breakdown of unpaid tribunals assessments as of 30 April 2019, with the largest contributions outstanding. Here, I would note that a payment was received from the United States after the cut-off date.

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 2019 will depend on Member States continuing to honour their financial obligations to the Tribunals.

### Conclusion

In conclusion, **Chart 20** gives you an overview of the entire financial situation, and **Chart 21** gives you the very latest information on payments as of today, 7 May 2019. 40 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, 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 using the resources entrusted to it in a cost-effective and efficient manner, and to provide information to Member States with utmost transparency.