



## **Financial situation of the United Nations**

**Statement by Angela Kane, Under-Secretary-General for Management**

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Thank you Mr. Chairman and, through you, let me also thank the members of the Fifth Committee for giving me this opportunity to brief you on the current financial situation of the United Nations.

In doing so, I shall focus on four main financial indicators:

- (a) Assessments issued
- (b) Unpaid assessed contributions
- (c) Available cash resources
- (d) Debt to Member States.

**Chart 1** summarizes the status with respect to assessments at 31 December 2010 and 5 October 2011. **Chart 2** summarizes the status with respect to cash and debt to Member States as of 31 December 2010 and projections to 31 December 2011. Overall, there has been improvement despite the current global financial climate, with projected positive cash balances at year end in all categories and reduction in the level of debt to Member States, even as unpaid assessments have increased slightly in all categories.

### Regular budget

Let me turn first to the regular budget. As **Chart 3** shows, both assessments and payments were higher in 2011 than in 2010, by \$249 million and \$184 million respectively. Unpaid assessed contributions amounted to \$867 million on 5 October 2011. This is higher by \$81 million than the \$786 million outstanding on 5 October 2010, which I reported to you one year ago.

Despite the slight increase in unpaid assessments, the number of Member States that had paid their regular budget assessments in full by 5 October 2011 was 131, twelve higher than on 5 October 2010 (see **Chart 4**). The corresponding figure for 31 December 2010 was 137. Payments received after 5 October 2011 result in the addition of Haiti and Belarus to the list of Member States which have paid in full regular budget assessment as of now.

On behalf of the Secretary-General, I should like to thank the 131 Member States (see **Chart 5**) and the two that I just mentioned that have paid their regular budget contributions in full and urge the remaining 59 Member States that have not yet done so to pay their assessed contributions for 2011 in full as soon as possible.

The breakdown of the \$867 million that remained outstanding at 5 October 2011 is shown in **Chart 6**. As you can see, Mr. Chairman, this amount is highly concentrated with 87.4 per cent being owed by a single Member State, 8.1 per cent by 3 other Member states and 4.5 per cent by the remaining Member States. Clearly, the final picture for 2011 will largely depend on the action taken by these countries in the coming months.

Cash resources for the regular budget comprise the General Fund, to which assessed contributions are paid, the Working Capital Fund, presently approved at the level of \$150 million by the General Assembly, and the Special Account. **Chart 7** shows the cash resources available at the end of 2010 and at 5 October 2011. The final position will also depend in large measure on the action to be taken by the countries highlighted in **Chart 6**. The month-by-month cash position in 2010-2011 is shown in **Chart 8**, reflecting an anticipated positive cash balance at the end of December 2011, without including the balances in the Working Capital Fund and the Special Account. The final situation is dependent on the action of the major debtors.

#### Peacekeeping operations

As you know, Mr. Chairman, the unpredictable nature of the demand for peacekeeping activities makes it hard to predict financial outcomes. In addition, peacekeeping has a different financial period, running from 1 July to 30 June rather than from 1 January to 31 December; assessments are issued separately for each operation; and, since assessments can currently only be issued through the mandate period approved by the Security Council for each mission, they are issued for different periods throughout the year. All of these factors complicate a comparison between the financial situation of peacekeeping operations and those of the regular budget and the tribunals.

The total amount outstanding for peacekeeping operations at 5 October 2011 was \$3.3 billion (see **Chart 9**). This is approximately \$843 million higher than at the end of 2010 and is \$113 million above the level at 5 October 2010. The \$3.3 billion outstanding at 5 October 2011 includes assessments for UNIFIL of approximately \$474 million,

which were issued on 16 September 2011, and are still within the 30 day due period. The distribution of unpaid assessments is reflected in **Chart 10**.

Due to the unpredictable amount and timing of peacekeeping assessments throughout the year, it can be more difficult for Member States to keep fully current with

of low levels of cross borrowings of \$49 million in 2009 for four active operations and \$33 million in 2010 for three active missions -MINURSO, UNFICYP and UNMIT.

The final financial position of the tribunals will obviously depend on the payment of assessed contributions by Member States (see **Chart 20**) during the balance of this year. The breakdown of unpaid assessed contributions for the tribunals (see **Chart 21**) also shows a high degree of concentration, with one Member State accounting for 64 per cent of the total, 4 Member States accounting for 18 per cent, and the remaining Member States accounting for 18 per cent. A lot will depend, therefore, on the action to be taken by these Member States.

**Chart 22** shows cash flow figures for the tribunals for 2010 and 2011. If recent trends continue, the tribunals should end the year with positive cash balances. Once again, however, the actual outcome depends on Member States meeting their financial obligations to the tribunals in full and in a timely fashion.

### Capital master plan

The total budget for the Capital Master Plan project of \$1.9 billion was approved by the General Assembly on 22 December 2006.

In accordance with the General Assembly resolution, 180 member states are under the multi-year payments system and 12 Member States have opted for one-time payment. As of 5 October 2011, payments totalling \$1.8 billion have been made against assessments due and payable, with \$88 million still outstanding (see **Chart 23**). Cash balances through year-end 2011 are projected in **Chart 24**.

I should like to thank the 124 Member States (see **Chart 25**) that have paid in full their Capital Master Plan assessments as of 5 October 2011. In order to ensure the timely execution of the project, I would urge all Member States to pay their assessed contributions to the capital master plan in full and on time.

### Conclusions

In conclusion, Mr. Chairman, let me first pay special tribute to those 18 Member States that had paid in full all assessments that were due and payable as of yesterday 10 October 2011 (see **Chart 26**). These were Australia, Canada, Cote d'Ivoire, Estonia, Finland, Germany, Iceland, Ireland, Latvia, Liechtenstein, Monaco, the Netherlands, New Zealand, Saint Kitts and Nevis, Singapore, Sweden, Switzerland and Thailand.

As I indicated at the beginning of this statement, Mr. Chairman, the financial indicators for 2011 show improvement in some areas, despite the current global financial climate (see **Chart 27**).

Cash positions are projected to be positive at year-end for all funds, although the final outcome will be dependent on last quarter contributions.

