

Fifth Committee of the General Assembly at its 74th session

11 October 2019

Mr. Chairman, Distinguished Delegates,

Thank you for this opportunity to present to you the current financial

As of October 9, 2019, the regular budget net cash deficit reached its highest level in the year at 1234 million, thereby exhausting the 1150 million from the General Fund as well as the 1202 million from the Special Account, and borrowing 122 million from the closed missions.

The regular budget borrowing from the General Fund in July, and the borrowing from the Special Account as well in August late (September), the borrowing from closed missions, as regular budget net cash reserves were so severely depleted that the risks with payroll payments or defaults in interest payments. By the end of October, they are poised to surpass last year's record cash deficit of 1433 million, and risk exhausting the closed mission cash reserves also.

Summarizing the statistics of regular budget assessments as at 4 October 2019 compared to 20 September 2013. In 2019, assessments were issued at a level of 12.35 billion, the highest for the decade, and 1242 million above the level in 2013. The higher assessment in the second year of the biennial is largely in line with the pattern of assessments for biennial budgets, where the budgetary methodology creates a tendency for assessments to lag behind appropriations and expenditures: payments received by 4 October 2019 totalled 11.99 billion, 141 million more than around the same time last year. However, payments received represent only 70% of the assessments compared to 73% at this time last year, resulting in a gap of nearly 1220 million. Consequently, the unpaid assessed contributions as at 4 October 2019 are higher than last year by 1299 million, an amount to 11.4 billion.

As seen in [redacted], 123 Member States have paid their regular budget assessments in full by 4 October 2019, compared to 141 Member States at the end of (September 2013. #) [redacted] list to those 123 Member States which are listed in [redacted] for their regular budget contributions, including those who have also paid a partial advance for 2020.

45 Member States who are yet to pay their assessments to the regular budget in full as of 4 October 2019, 12 more than at 20 September last year. #) [redacted] note that since the cutoff date, Monday, 4 October, (including the Syrian Arab Republic in full, bring in the count of fully paid Member States to 121.

provides a comparative review of the latest estimates in assessments for the regular budget as of 20 September 2013 and 4 October 2019.

Highlights the regular budget liquidity crisis this year. There have been about 1955 million of unspent funds from the biennial budget for 2013-2019, comprising about 1444 million of post-related expenses and about 1491 million of non-post expenses. Included in commitments are unforeseen and extraordinary expenses. Despite slow income from early in the year and also continued several non-post expenditures, there have been barely enough liquidity to pay the post costs for October, even by the balance of about 1147 million still available from close cooperation in missions. As they confront the worst liquidity crisis in recent years, they are starting to experience cash to cover expenditures and uncertainty about paying obligations on time.

Overall, even the budget, the Organization would need to collect at least 1303 million within the last quarter. However, there is significant uncertainty about the amount and timing of the payment of the remaining assessments. While nearly half of the unspent budget is for post-related expenses which cannot be postponed, the remaining 1491 million also include non-post expenses that cannot be deferred. It is significant impact on management efficiency. The large unspent non-post budget also reflects the impact of postponed expenditures through the year in an effort to conserve cash to meet the salary and other recurrent costs. The ongoing financial uncertainty relating to collections compounds the management base on liquidity rather than programme efficiency. The use of a large vacancy rates, and limitations on transfers of funds across budget sections and budget classes, exacerbate the resource management problems. Ultimately, these problems undermine management efficiency and go against our efforts to focus less on inputs and more on results.

shows the statistics of peacekeeping assessments and collections in 2019. Assessments in 2019 totalled nearly 13 billion, with nearly half of it being assessed in July for the fiscal year 2019-20. As the collections as of 4 October 2019 lagged behind at 15.7 billion, the total amount outstanding as at 4 October 2019 is 12.7 billion, compared to 11.5 billion as at 21 December 2013.

As shown in [redacted], at 4 October 2019, 20 Member States have paid all peacekeeping assessments in full. This was 11 less than at 20 September 2013. It is important to pay tribute to these Member States for their efforts. (Since the cutoff date, Austria, Cuba, Cyprus, Jordan, Kenya, Monaco and Nepal have also paid their assessments in full.

Provisional order of outstanding amounts by operation. As seen in the chart, the 12.7 billion outstanding as at 4 October comprises 12.2 billion for active missions and 1409 million for closed missions. For active missions, out of 12.2 billion, 12.3 billion relates to 2019 assessments, while 1500 million relates to assessments in 2013 and prior.

shows the unpaid peacekeeping assessments as of 4 October

shows those Member States that have paid in full for the entire year including the non-managed period. #) also lists to these 10 Member States for their additional payments to all operations. #) also lists to Canada for payment in full for 12 out of 12 operations.

shows the statistics of cash over the last 2 years. As of 9 October, the cash balance consists of approximately 12 billion in the accounts of active missions, closed missions, and the

Conclusion

In conclusion, summarises the statistics of assessments and financial assessments for each of the three categories of operations at the end of the last two years as well as around the end of the third quarter. Financial assessments for all three categories are higher this year compared to a similar period last year.

Provisional 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 contributions for active peacekeeping operations. The improvement in the settlement of reimbursements to UNCCs in October 2019 is a reflection of the impact of the recent General Assembly decision to approve the Secretary-General's proposals to allow cross-borrowing of cash for active operations and assessment for a full year without waiting for mandatory extension.

I give you the very latest information on payments as of today, 11 October 2019. 25 Member States have all their assessments in full. On behalf of the Secretary-General, I would like to express my 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 budgets 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 ensure the resources entrusted to it in a cost-effective and efficient manner, and to provide information to Member States with utmost transparency.

Thank you.