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### IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS

#### Report of the Secretary-General

#### Addendum

#### I. INTRODUCTION

1. The financial position of the United Nations remains critical. Total unpaid assessed contributions remain at perilously high levels. The present addendum is issued to provide Member States with the most current information on the financial situation of the Organization.

#### II. STATUS OF CONTRIBUTIONS AT 31 DECEMBER 1995

2. By 31 December 1995, only 94 Member States had paid their regular budget contributions in full, up from 75 at the end of 1994. The number of Member States making no contribution to the regular budget in 1995 was 22, down from 39, while the number owing more than the current year's assessment rose from 71 at the end of 1994 to 74 at year-end 1995.

3. Total amounts outstanding for the regular budget were \$564 million, up from \$480 million at 31 December 1994. Amounts outstanding for peace-keeping operations totalled \$1.7 billion, up from \$1.3 billion at the end of 1994, and contributions outstanding for the international tribunals for Rwanda and the former Yugoslavia totalled over \$5 million. Of the amounts outstanding at the end of 1995, the Member State with the largest assessment owed 73.5 per cent of amounts outstanding for the regular budget and 47.4 per cent of amounts outstanding for peace-keeping operations. The continuing increase in unpaid contributions is illustrated below:

[CHART 1 FROM WGFS/32]

4. Annex I to the present report provides a listing of outstanding contributions from Member States, totalling \$2,293.1 million at 31 December 1995.

### III. STATUS OF CONTRIBUTIONS AT 15 MARCH 1996

5. By 15 March 1996, additional assessments totalling \$1,598.8 million had been issued. At the same date, receipts and credits totalled \$770.3 million, so that total outstanding assessments grew to \$3,121.7 million; this amount included \$157.7 million of assessments issued within the 30-day due period. A listing of the outstanding contributions from Member States as at 15 March 1996 is provided in annex II.

#### A. Status of assessed contributions to the regular budget

6. At the end of 1995, unpaid assessments to the regular budget totalled \$564 million. On 29 December, additional assessments of \$1,137.3 million were issued for 1996. Twenty-five Member States had paid their regular budget assessments in full by 31 January 1996, up from 19 at the same date in 1995. By 15 March 1996, a further 16 Member States had paid their regular budget assessments in full. Thus, by 15 March 1996, 41 Member States had fully paid their regular budget assessments compared to 29 Member States in the comparable period in 1995 - a considerable improvement for which the Secretary-General is very appreciative. The comparative pattern of payments in the two years is shown in annex III.

7. As at 15 March 1996, payments and credits totalling \$477.9 million had been received, leaving outstanding contributions to the regular budget of \$1,223.4 million. Of this amount, \$698.9 million, or 57.1 per cent, related to amounts owed by the Member State with the largest assessment.

#### B. Status of assessed contributions for peace-keeping operations

8. At the end of 1995, unpaid assessments for peace-keeping operations totalled \$1.7 billion. During 1996 additional assessments totalling \$454.0 million had been issued by 15 March 1996. After the application of payments and credits totalling \$289.1 million, the total of outstanding assessed contributions for peace-keeping at 15 March 1996 was \$1,888.8 million, of which \$152.0 million related to assessments issued within the 30-day due period. Of the total amount, the Member State with the largest assessment owed \$900.9 million, or 47.7 per cent.

#### C. Status of assessed contributions for international tribunals

9. At the end of 1995, unpaid assessments for the international tribunals for Rwanda and the former Yugoslavia totalled \$5.2 million. Assessments totalling \$7.6 million have been issued subsequently for the period from 1 January to 31 March 1996. Following receipt of \$3.2 million, outstanding assessments at

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15 March 1996 totalled \$9.6 million, of which \$5.7 million had been issued within the 30-day due period.

#### IV. CASH FLOW SITUATION

10. Cash balances for the combined General Fund (the regular budget, the Working Capital Fund and the Special Account) were at an unprecedented negative \$198 million at the end of 1995. This reflected the need during 1995, following the exhaustion of the Organization's reserves in August, to borrow continuously and extensively from peace-keeping operations to fund regular budget activities. At the end of 1995, such borrowing had reached \$176 million. (It should be understood that the difference in amount between the negative cash balances and the amount of borrowings represent cheques that had been issued but not yet presented.)

11. The payment of regular budget assessments during 1996 has made it possible to repay the amounts borrowed from peace-keeping operations by the end of February.

12. Based on information provided by the 25 largest contributors and the pattern of payment in previous years, cash flow projections have been made for the regular budget in 1996. On the basis of these projections, the cash position for the regular budget should remain positive through June. Thereafter, however, it would become negative and, by year-end, this negative balance would be \$424 million. This situation is illustrated in annex IV. Current projections are not materially different from those made in early February, although there has been some net slippage of anticipated receipts in the first quarter of 1996.

13. As regards the peace-keeping accounts, the growing level of unpaid contributions has made it necessary to continue to be cautious regarding reimbursements to troop-contributing countries for troop costs and contingent-owned equipment. Some \$50 million, however, will be paid at the end of next month. After this payment, the amounts owed will be slightly more than \$1.1 billion. Current projections indicate that, even if unpaid reimbursements are kept at this unacceptable level, the overall cash position of peace-keeping operations will fall to \$340 million by the end of 1996, barely enough to meet two months' peace-keeping requirements.

14. It is, however, noteworthy that the Russian Federation announced in early March its intention to pay an aggregate amount of \$400 million in 1996 for its regular budget and peace-keeping assessments, an amount considerably in excess of previously forecast payments. This development has not been reflected in the cash flow forecasts, pending further clarification on the specific amounts and timing of such payments, as the national budget is being executed. The receipt of such payments would, of course, have a positive effect on the amounts to be reimbursed to Member States for troops and contingent-owned equipment during the balance of the year.

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## V. CONCLUSION

15. The bleak picture outlined in my earlier reports on the financial situation of the Organization will be eased by the matter described in the preceding paragraph, but it has not fundamentally changed. Without a significantly greater commitment by Member States to honour their obligations under the Charter, our financial position remains extremely precarious. The situation remains grave and the time for finding a solution is running out.

Annex I

(OFFSET)

(Notes to annex I)

a/ Comprises the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 and the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994.

b/ Includes the following peace-keeping operations financed by assessed contributions: United Nations Disengagement Observer Force (UNDOF), United Nations Interim Force in Lebanon (UNIFIL), United Nations Iran-Iraq Military Observer Group (UNIIMOG), United Nations Angola Verification Mission (UNAVEM, UNAVEM II and UNAVEM III), United Nations Transition Assistance Group (UNTAG), United Nations Observer Group in Central America (ONUCA), United Nations Iraq-Kuwait Observation Mission (UNIKOM), United Nations Mission for the Referendum in Western Sahara (MINURSO), United Nations Observer Mission in El Salvador (ONUSAL), United Nations Advance Mission in Cambodia (UNAMIC), United Nations Transitional Authority in Cambodia (UNTAC), United Nations Protection Force (UNPROFOR), UNCRO, United Nations Preventive Deployment Force (UNPREDEP), United Nations Peace Forces (UNPF) headquarters, United Nations Operation in Somalia (UNOSOM and UNOSOM II), United Nations Operation in Mozambique (ONUMOZ), United Nations Peace-keeping Force in Cyprus (UNFICYP), United Nations Observer Mission in Georgia (UNOMIG), United Nations Mission in Haiti (UNMIH), United Nations Observer Mission in Liberia (UNOMIL), United Nations Assistance Mission for Rwanda (UNAMIR), United Nations Observer Mission Uganda-Rwanda (UNOMUR), United Nations Military Liaison Team in Cambodia and United Nations Mission of Observers in Tajikistan (UNMOT).

c/ Outstanding balances related to assessments for the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 for the period 1 January 1994 to 31 December 1995, and the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994 for the period to 31 October 1995.

d/ Outstanding balances related to assessments for:

UNDOF for the periods 1 December 1994 to 31 May 1995, 1 June to 30 November 1995, 1 December 1995 to 31 May 1996;

UNIFIL for the periods 1 February to 31 July 1995, 1 August 1995 to 31 January 1996;

UNAVEM II for the periods 1 July to 30 September 1994 (additional), 1 October to 8 December 1994, 9 December 1994 to 8 February 1995 and UNAVEM III

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for the periods 9 February to 8 May 1995, 9 February to 8 August 1995 (additional) and 9 August to 31 December 1995;

UNPROFOR for the periods 1 October 1994 to 31 March 1995 (additional), 1 April to 30 June 1995, 1 July to 30 November 1995 and 1 July to 30 November 1995 (reinforcement of the Force);

UNOSOM II for the periods 1 June to 30 September 1994 (additional) and 1 October 1994 to 28 February 1995;

UNOMIG for the periods 1 July 1994 to 13 January 1995 (additional), 14 January to 15 May 1995, 16 May to 13 July 1995 and 16 May 1995 to 12 January 1996 (additional);

UNMIH for the periods 1 August 1994 to 31 January 1995, 1 to 31 August 1995, 1 August to 31 October 1995 (additional) and 1 to 30 November 1995;

UNOMIL for the periods 23 October 1994 to 13 January 1995, 14 January to 13 April 1995, 14 April to 30 June 1995, 1 July to 15 September 1995 and 16 September to 31 December 1995;

UNFICYP for the periods 1 January to 30 June 1995 and 1 July to 31 December 1995;

UNAMIR for the periods 10 February to 9 April 1995, 10 December 1994 to 9 June 1995 (additional) and 10 June to 8 December 1995;

UNMOT for the periods 16 December 1994 to 26 April 1995 and 27 April to 15 December 1995;

UNIKOM for the periods 1 May to 31 October 1994 (additional), 1 November 1994 to 30 June 1995 (additional) and 1 July to 31 October 1995;

MINURSO for the periods up to 30 November 1994 (net credit), 1 December 1994 to 31 May 1995, 1 to 30 June 1995 and 1 July to 30 September 1995;

ONUSAL for the periods 1 June to 30 November 1994, 1 December 1994 to 30 April 1995 and 1 to 31 May 1995.

e/ Represents the outstanding balance of the latest assessment for UNDOF, for which the assessment letter was dispatched on 13 December 1995.

f/ Includes an amount of \$13,690,003 owed by the former German Democratic Republic for the United Nations Interim Force in Lebanon (UNIFIL). Through accession of the German Democratic Republic to the Federal Republic of Germany with effect from 3 October 1990, the two German States united to form one sovereign State. As from the date of unification, the Federal Republic of Germany has acted in the United Nations under the designation "Germany". On 3 October 1990, total contributions outstanding amounted to \$15,854,003 for the former German Democratic Republic. There were no contributions outstanding for

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the Federal Republic of Germany. The German Government wishes to point out that it does not recognize any legal obligation to pay the debts of the former German Democratic Republic. However, it has already made voluntary contributions totalling \$2,164,000 and will make additional voluntary contributions of appropriate amounts in due course.

g/ Figures for South Africa reflect implementation of General Assembly resolution 50/83 of 15 December 1995, by which the Assembly decided to accept South Africa's request not to pay its assessed contributions for the period from 30 September 1974 to 23 June 1994.

h/ The Czech and Slovak Federal Republic was dissolved effective 31 December 1992. Based on a bilateral agreement, the credits and outstanding contributions of the former Czech and Slovak Federal Republic have been divided between the Czech Republic and Slovakia. Pending the placement of the Czech Republic and Slovakia in the appropriate group (General Assembly decision 48/472 A), no assessments have been issued for peace-keeping operations.

Annex II

(OFFSET)

Annex III

MEMBER STATES THAT PAID THEIR 1995 AND 1996 REGULAR  
BUDGET CONTRIBUTIONS IN FULL BY 15 MARCH

(United States dollars)

1 to 31 January 1995  
(19 Member States)

<u>Member State</u>	<u>Amount</u>
Australia	15 954 555
Canada	33 548 279
Denmark	7 649 445
Finland	6 665 944
Iceland	327 833
Ireland	2 185 555
Kuwait	2 185 555
Liechtenstein	109 278
Luxembourg	764 945
Malaysia	1 529 889
Micronesia (Federated States of)	109 278
Netherlands	17 265 889
New Zealand	2 622 667
Norway	6 010 278
Pakistan	655 666
Singapore	1 529 889
Slovenia	764 945
Sri Lanka	109 278
Sweden	13 331 889

1 to 31 January 1996  
(25 Member States)

<u>Member State</u>	<u>Amount</u>
Australia	16 097 993
Austria	9 408 625
Canada	33 745 960
Denmark	7 804 263
Egypt	761 392
Finland	6 716 561
Iceland	326 311
Ireland	2 284 175
Italy	56 533 321
Kuwait	2 066 635
Lesotho	108 770
Liechtenstein	108 770
Luxembourg	761 392
Malaysia	1 522 783
Malta	108 770
Netherlands	17 267 272
New Zealand	2 610 486
Norway	6 091 132
Palau	108 770
Singapore	1 522 783
Slovakia	897 355
Slovenia	761 392
South Africa	3 507 840
Sri Lanka	108 770
Sweden	13 351 545

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1 February-15 March 1995  
(10 Member States)

<u>Member State</u>	<u>Amount</u>
Algeria	1 748 444
Andorra	109 278
Austria	9 288 612
Bahrain	218 556
Belgium	10 818 500
France	69 063 558
India	3 387 611
Italy	52 344 057
Monaco	109 278
Spain	24 478 223
Totals	<u>284 887 174</u>

1 February-15 March 1996  
(16 Member States)

<u>Member State</u>	<u>Amount</u>
Bangladesh	108 770
Belgium	10 958 599
Czech Republic	2 828 026
Ethiopia	108 770
France	69 694 517
Indonesia	1 522 783
Jordan	108 770
Micronesia (Federated States of)	108 770
Monaco	108 770
Myanmar	108 770
Namibia	108 770
Paraguay	108 770
Republic of Korea	8 891 966
San Marino	108 770
Spain	25 696 964
Tunisia	<u>326 311</u>
Totals	<u>305 481 162</u>

Annex IV

CASHFLOW PROJECTIONS FOR 1996

United Nations Combined General Fund a/

(Millions of United States dollars)

	Actual		Actual projections for the end of				
	Dec. 1995	Jan. 1996	Feb. 1996	Mar. 1996	Apr. 1996	May 1996	June 1996
Receipts		282	112	203	127	142	15
Disbursements and other changes	—	<u>115</u>	<u>72</u>	<u>115</u>	<u>126</u>	<u>105</u>	<u>111</u>
Usable month-end cash <u>b/</u>	<u>(198)</u>	<u>(31)</u>	<u>8</u>	<u>96</u>	<u>97</u>	<u>134</u>	<u>38</u>

	Projections for the end of						
	July 1996	Aug. 1996	Sept. 1996	Oct. 1996	Nov. 1996	Dec. 1996	Total 1996
Receipts	15	15	23	24	11	38	<u>1 007</u>
Disbursements and other changes	<u>102</u>	<u>95</u>	<u>107</u>	<u>91</u>	<u>91</u>	<u>102</u>	<u>1 232</u>
Usable month-end cash <u>b/</u>	<u>(49)</u>	<u>(129)</u>	<u>(213)</u>	<u>(280)</u>	<u>(359)</u>	<u>(424)</u>	

a/ Includes Regular Budget General Fund, Working Capital Fund and the Special Account.

b/ Excludes cash in non-convertible currencies or not readily available (e.g. in field offices).

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