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

Updated financial position of closed peacekeeping missions as at 30 June 2018

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the updated financial position of closed peacekeeping missions as at 30 June 2018 ([A/73/604](#)). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 28 May 2019.

2. The report of the Secretary-General indicates that the General Assembly has deferred consideration of the reports of the Secretary-General on the updated financial position of closed peacekeeping missions since its sixty-sixth session, including options to address the issues surrounding cash deficits of both closed and active peacekeeping missions. The Advisory Committee recalls once more the proposals of the Secretary-General to settle outstanding liabilities in closed missions (see [A/66/665](#), [A/67/739](#), [A/68/666](#), [A/69/659](#), [A/70/552](#), [A/71/652](#) and [A/72/649](#)) and the related comments of the Committee: [A/66/713](#) and [A/66/713/Corr.1](#) (see paras. 10–12); [A/67/837](#) (see paras. 5 and 6); [A/68/837](#) (see paras. 11 and 16); [A/69/827](#) (see paras. 15–17); [A/70/829](#) (see paras. 14–17); [A/71/856](#) (see paras. 2–3); and [A/72/838](#) (see paras. 2–3) (see also para. 14 below).

3. **The Advisory Committee notes that the General Assembly decided, most recently in its decision 72/547 C, to defer consideration of all seven previous reports of the Secretary-General and the related reports of the Advisory Committee until the second part of its resumed seventy-third session. In this context, the Committee reiterates its previous observations and recommendations regarding closed peacekeeping operations on the proposals contained in the above-mentioned reports of the Secretary-General (see also para. 14 below).**



4. In his report, the Secretary-General provides background information on the updated financial position of 29 closed peacekeeping missions as at 30 June 2018 (A/73/604, paras. 1–4). The report reflects that there is no change in the number of peacekeeping missions that have closed since the issuance of the previous report of the Secretary-General (A/72/649).

5. The Secretary-General indicates that five of the closed peacekeeping missions had net cash deficits totalling \$85,610,000 because of outstanding assessed contributions, and the remaining 24 closed missions had net cash surpluses totalling \$93,122,000 available for credit to Member States (A/73/604, paras. 5–19). Upon request, the Advisory Committee was informed that the cash available for credit to Member States from the 24 closed missions in surplus had increased to \$100,216,000 as at 30 April 2019, reflecting a reimbursement of \$6,900,000 in loans from active peacekeeping missions, \$5,231,000 in contributions from Member States and \$1,466,000 in investment and other revenue, offset by \$6,500,000 in loans to active missions (the United Nations Mission for the Referendum in Western Sahara (MINURSO) and the United Nations Interim Administration Mission in Kosovo (UNMIK)) and a \$3,000 settlement of staff benefits and other charges.

6. **The Advisory Committee notes the improved cash position of the closed peacekeeping missions with cash surpluses and reiterates the expectation that cash surpluses available for credit to Member States will be returned in full and in a timely manner (see also A/69/827, para. 6; A/70/829, para. 7; A/71/856, para. 6; and A/72/838, para. 6).**

II. Outstanding amounts due to Member States from closed missions

7. In his report, the Secretary-General provides information about the net cash available for credit to Member States as at 30 June 2018 and about accounts payable to Member States and other liabilities (A/73/604, annex I). According to the information provided, outstanding claims for payment to 29 troop-contributing countries in all closed missions remained unchanged and amounted to \$81,353,000.

8. **The Advisory Committee reiterates again the importance of settling claims by troop- and police-contributing countries of closed peacekeeping missions in a timely manner.**

III. Cash requirements of the Organization

9. The Advisory Committee recalls that the General Assembly, in its resolutions on the financing of peacekeeping operations, has emphasized that no peacekeeping mission shall be financed by borrowing funds from other active peacekeeping missions (see, most recently, A/72/838, para. 9). At the same time, the Committee acknowledges that, because the Assembly has been silent on the mechanism for dealing with the disposition of cash balances available in the accounts of closed peacekeeping missions, the Secretary-General, since 2003, has annually proposed to the Assembly that such cash balances be retained as a source of cross-borrowing for other missions to address the issue of cash shortages in active missions owing to unpaid assessments (*ibid*).

10. The Advisory Committee has repeatedly expressed concern about the continued reliance on cash surpluses in closed peacekeeping missions for the cash requirements of active peacekeeping missions and reiterated the importance of delinking the cash flow requirements of active peacekeeping missions from the cash surpluses in closed

missions that should be returned to Member States (A/70/829, para. 11, and A/72/838, para. 10). The Committee notes the request by the Secretary-General to retain a cash balance of \$93,122,000, available in 24 closed peacekeeping missions, if no new mechanism is approved to address the cash requirements of active peacekeeping operations (A/73/604, para. 25 (c)).

11. The Secretary-General notes that outstanding payments of assessments for the 29 closed missions amounted to \$390,831,000 gross as at 30 June 2018. The Advisory Committee notes that of this amount, \$238,415,000 was outstanding for 24 closed missions in surplus and \$152,416,000 for 5 closed missions in deficit. **The Advisory Committee notes the repeated calls by the General Assembly for all Member States to pay their assessed contributions on time, in full and without conditions.**

12. In his report, the Secretary-General provides an analysis of cross-borrowing by active missions from closed peacekeeping missions, particularly by MINURSO and UNMIK. The Secretary-General indicates that the peak in borrowing over the past three calendar years was \$40,000,000 (see annex below), excluding the amount of \$151.7 million loaned to the programme budget. The Advisory Committee was informed, upon enquiry, that the loan was repaid as at 30 November 2018. The Advisory Committee notes the sound capital structure ratios of peacekeeping missions included in the report of the Board of Auditors (A/73/5 (Vol. II)), which presents the financial performance and cash flows of peacekeeping missions as at 30 June 2018 in accordance with the International Public Sector Accounting Standards.

13. **The Advisory Committee continues to note the steady decline in the peak levels of borrowing by active peacekeeping missions over the years and that the highest level of borrowing in the past three calendar years was \$40,000,000. In accordance with previous recommendations, the Committee recommends that the net cash balance proposed for retention to cover the temporary borrowing needs of active missions be reduced accordingly to \$40,000,000 and that any available cash surplus over that amount be returned to Member States (see para. 15 below).**

14. **The Advisory Committee notes the absence of any decisions by the General Assembly regarding the proposals of the Secretary-General to settle outstanding liabilities in closed missions and that the Assembly has repeatedly deferred consideration of the reports of the Secretary-General. The Committee therefore recommends that if there is no decision taken in the current session, the Assembly may request the Secretary-General to review his previous proposals regarding the settlement of outstanding liabilities in closed missions, including to troop- and police-contributing countries, with a view to providing an updated proposal in his next report on closed peacekeeping operations.**

IV. Actions to be taken by the General Assembly

15. The actions to be taken by the General Assembly are set out in paragraph 25 of the report of the Secretary-General. **The Advisory Committee recommends that the General Assembly:**

(a) **Take note of the report of the Secretary-General, subject to its observations and recommendations in the present report;**

(b) **Request the Secretary-General to return to Member States the remaining available balances in 24 closed peacekeeping missions as at 30 April 2019, after leaving a balance of \$40,000,000 (see para. 13 above).**

16. **The Advisory Committee trusts that the updated balances in the 29 closed peacekeeping operations will be provided to the General Assembly at the time of its consideration of the report of the Secretary-General.**

Annex

Borrowings, settlements and peak levels of cross-borrowings by active missions from closed missions for the period from 1 July 2009 to 31 January 2019

(Millions of United States dollars)

| <i>1 July 2009 to 30 June 2010</i> | | | | | <i>1 July 2011 to 30 June 2012</i> | | | | |
|------------------------------------|-------------------|--------------------|----------------|-------------------|------------------------------------|-------------------|--------------------|----------------|-------------------|
| <i>Month</i> | <i>Borrowings</i> | <i>Settlements</i> | <i>Balance</i> | <i>Peak level</i> | <i>Month</i> | <i>Borrowings</i> | <i>Settlements</i> | <i>Balance</i> | <i>Peak level</i> |
| July | – | – | 18.0 | 18.0 | July | 34.5 | – | 76.0 | 76.0 |
| August | – | – | 18.0 | 18.0 | August | 5.0 | – | 81.0 | 81.0 |
| September | 3.0 | – | 21.0 | 21.0 | September | 12.0 | (66.0) | 27.0 | 93.0 |
| October | – | (12.0) | 9.0 | 21.0 | October | – | (3.0) | 24.0 | 27.0 |
| November | – | – | 9.0 | 9.0 | November | 25.0 | – | 49.0 | 49.0 |
| December | 4.5 | – | 13.5 | 13.5 | December | – | – | 49.0 | 49.0 |
| January | 18.5 | – | 32.0 | 32.0 | January | – | (18.0) | 31.0 | 49.0 |
| February | 4.0 | – | 36.0 | 36.0 | February | 23.5 | – | 54.5 | 54.5 |
| March | – | (24.0) | 12.0 | 36.0 | March | – | (18.0) | 36.5 | 54.5 |
| April | – | – | 12.0 | 12.0 | April | 9.0 | – | 45.5 | 45.5 |
| May | – | – | 12.0 | 12.0 | May | – | – | 45.5 | 45.5 |
| June | – | – | 12.0 | 12.0 | June | 9.0 | (3.5) | 51.0 | 54.5 |
| <i>1 July 2010 to 30 June 2011</i> | | | | | <i>1 July 2012 to 30 June 2013</i> | | | | |
| <i>Month</i> | <i>Borrowings</i> | <i>Settlements</i> | <i>Balance</i> | <i>Peak level</i> | <i>Month</i> | <i>Borrowings</i> | <i>Settlements</i> | <i>Balance</i> | <i>Peak level</i> |
| July | – | – | 12.0 | 12.0 | July | 11.0 | – | 62.0 | 62.0 |
| August | 6.4 | – | 18.4 | 18.4 | August | – | (8.5) | 53.5 | 62.0 |
| September | – | (18.4) | – | 18.4 | September | – | (6.0) | 47.5 | 47.5 |
| October | – | – | – | – | October | – | (24.5) | 23.0 | 47.5 |
| November | – | – | – | – | November | – | – | 23.0 | 23.0 |
| December | 4.0 | – | 4.0 | 4.0 | December | 14.0 | – | 37.0 | 37.0 |
| January | 3.5 | – | 7.5 | 7.5 | January | 9.0 | (5.0) | 41.0 | 41.0 |
| February | 46.5 | (41.0) | 13.0 | 47.5 | February | – | – | 41.0 | 41.0 |
| March | – | – | 13.0 | 13.0 | March | – | – | 41.0 | 41.0 |
| April | 11.5 | – | 24.5 | 24.5 | April | – | – | 41.0 | 41.0 |
| May | 4.0 | – | 28.5 | 28.5 | May | – | – | 41.0 | 41.0 |
| June | 13.0 | – | 41.5 | 41.5 | June | – | – | 41.0 | 41.0 |

| <i>1 July 2013 to 30 June 2014</i> | | | | | <i>1 July 2016 to 30 June 2017</i> | | | | |
|------------------------------------|-------------------|--------------------|----------------|-------------------|---------------------------------------|-------------------|--------------------|----------------|-------------------|
| <i>Month</i> | <i>Borrowings</i> | <i>Settlements</i> | <i>Balance</i> | <i>Peak level</i> | <i>Month</i> | <i>Borrowings</i> | <i>Settlements</i> | <i>Balance</i> | <i>Peak level</i> |
| July | 11.0 | – | 52.0 | 52.0 | July | – | (6.0) | 34.0 | 40.0 |
| August | 5.0 | (13.0) | 44.0 | 57.0 | August | – | (8.0) | 26.0 | 34.0 |
| September | – | (4.5) | 39.5 | 44.0 | September | – | – | 26.0 | 26.0 |
| October | – | (22.5) | 17.0 | 32.0 | October | – | (16.5) | 9.5 | 26.0 |
| November | – | – | 17.0 | 17.0 | November | – | – | 9.5 | 9.5 |
| December | – | – | 17.0 | 17.0 | December | – | – | 9.5 | 9.5 |
| January | – | – | 17.0 | 17.0 | January | – | – | 9.5 | 9.5 |
| February | 6.0 | – | 23.0 | 23.0 | February | 4.0 | – | 13.5 | 13.5 |
| March | 5.0 | (6.0) | 22.0 | 28.0 | March | 3.2 | – | 16.7 | 16.7 |
| April | – | – | 22.0 | 22.0 | April | 5.2 | – | 21.9 | 21.9 |
| May | 4.0 | – | 26.0 | 26.0 | May | 4.4 | – | 26.3 | 26.3 |
| June | 5.0 | – | 31.0 | 31.0 | June | 5.8 | – | 32.1 | 32.1 |
| <i>1 July 2014 to 30 June 2015</i> | | | | | <i>1 July 2017 to 30 June 2018</i> | | | | |
| <i>Month</i> | <i>Borrowings</i> | <i>Settlements</i> | <i>Balance</i> | <i>Peak level</i> | <i>Month</i> | <i>Borrowings</i> | <i>Settlements</i> | <i>Balance</i> | <i>Peak level</i> |
| July | 6.0 | – | 37.0 | 37.0 | July | 3.0 | – | 35.1 | 35.1 |
| August | 6.0 | – | 43.0 | 43.0 | August | – | – | 35.1 | 35.1 |
| September | – | (11.0) | 32.0 | 43.0 | September | – | (24.5) | 10.6 | 10.6 |
| October | – | (27.0) | 5.0 | 32.0 | October | – | – | 10.6 | 10.6 |
| November | – | – | 5.0 | 5.0 | November | – | – | 10.6 | 10.6 |
| December | – | – | 5.0 | 5.0 | December | – | (2.5) | 8.1 | 8.1 |
| January | – | – | 5.0 | 5.0 | January | 5.0 | – | 13.1 | 13.1 |
| February | 6.5 | – | 11.5 | 11.5 | February | – | – | 13.1 | 13.1 |
| March | – | – | 11.5 | 11.5 | March | 9.4 | – | 22.5 | 22.5 |
| April | 3.0 | – | 14.5 | 14.5 | April | 5.1 | – | 27.6 | 27.6 |
| May | 9.0 | – | 23.5 | 23.5 | May | 3.5 | – | 31.1 | 31.1 |
| June | – | – | 23.5 | 23.5 | June | 4.0 | – | 35.1 | 35.1 |
| <i>1 July 2015 to 30 June 2016</i> | | | | | <i>1 July 2018 to 31 January 2019</i> | | | | |
| <i>Month</i> | <i>Borrowings</i> | <i>Settlements</i> | <i>Balance</i> | <i>Peak level</i> | <i>Month</i> | <i>Borrowings</i> | <i>Settlements</i> | <i>Balance</i> | <i>Peak level</i> |
| July | 7.0 | – | 30.5 | 30.5 | July | 2.0 | – | 37.1 | 37.1 |
| August | – | (3.0) | 27.5 | 30.5 | August | – | (2.5) | 34.6 | 34.6 |
| September | – | – | 27.5 | 27.5 | September | 151.7 | (3.0) | 183.3 | 183.3 |
| October | – | (7.0) | 20.5 | 27.5 | October | 4.5 | (2.4) | 185.4 | 185.4 |
| November | 2.0 | (3.0) | 19.5 | 22.5 | November | – | (150.7) | 34.7 | 34.7 |
| December | 9.0 | – | 28.5 | 28.5 | December | – | – | 34.7 | 34.7 |
| January | – | – | 28.5 | 28.5 | January | – | – | 34.7 | 34.7 |
| February | – | – | 28.5 | 28.5 | | | | | |
| March | – | – | 28.5 | 28.5 | | | | | |
| April | 2.0 | – | 30.5 | 30.5 | | | | | |
| May | 2.0 | – | 32.5 | 32.5 | | | | | |
| June | 7.5 | – | 40.0 | 40.0 | | | | | |