



General Assembly

Distr.: General
11 April 2014

Original: English

Sixty-eighth session

Agenda item 147

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

Updated financial position of closed peacekeeping missions as at 30 June 2013

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 2013 ([A/68/666](#)). During its consideration of the report, the Committee met representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 19 February 2014.

2. In paragraphs 1 to 6 of his report, the Secretary-General provides an update on the cash position of the 25 closed peacekeeping missions as at 30 June 2013. He indicates that, as at that date, 20 of the 25 closed missions had cash surpluses available for credit to Member States totalling \$46,983,000 (see tables 1 to 3). He further explains that that amount does not take into account the \$10,816,000 owed by two closed peacekeeping missions in cash deficit and another \$41,000,000 owed by two active peacekeeping missions as at 30 June 2013. He adds that, were the amount of \$41,000,000 borrowed by the active peacekeeping operations repaid, the total cash available would be \$87,983,000.

3. In paragraph 6, the Secretary-General indicates that five closed missions had cash deficits totalling \$86,709,000, comprising liabilities of \$87,119,000, partially offset by cash assets of \$410,000 (see tables 4 to 6). He further indicates that the cash liabilities of \$87,119,000 comprise \$23,636,000 in outstanding loans, \$63,067,000 in claims owed to troop-contributing countries and \$416,000 in inter-fund balances and other payables.

4. Upon request, the Advisory Committee was provided with updated information showing that, as at 5 February 2014, the cash surpluses available for credit to



Member States in the 20 peacekeeping missions had increased to \$65,373,000, which did not take into account \$10,816,000 owed by two closed peacekeeping missions in cash deficit and \$23,000,000 owed by two active peacekeeping missions. The information also showed that there had been no significant change in the liabilities of the closed peacekeeping missions in cash deficit since 30 June 2013.

5. The Advisory Committee reiterates its expectation that the cash surpluses available for credit to Member States will be returned in full and in a timely manner (A/67/837, para. 3).

II. Outstanding dues to Member States from closed missions

6. In paragraph 7 of its resolution [65/293](#), the General Assembly requested the Secretary-General to submit for its consideration and approval concrete proposals and alternatives to address the issue of outstanding dues to Member States from closed peacekeeping missions in net cash deficit. In this regard, the Advisory Committee recalls that the Secretary-General, in his reports [A/66/665](#) and [A/67/739](#), submitted proposals to address the issue.

7. The comments of the Advisory Committee on the proposals of the Secretary-General presented in the above reports are contained in paragraphs 10 to 12 of its report [A/66/713](#) and paragraphs 5 and 6 of its report [A/67/837](#). In its comments, the Committee expressed the view that the proposals of the Secretary-General would entail utilizing resources due to Member States that had paid their assessed contributions in full to meet the financial obligations to the Organization of Member States that had not paid their assessed contributions. Upon enquiry, the Committee was informed that the number of Member States with unpaid assessments for closed peacekeeping missions had fallen from 45 as at 30 June 2012 to 27 as at 10 February 2014. The Committee was also informed that those 27 Member States included 5 whose arrears had been determined by the General Assembly to result from conditions beyond their control.

8. The Advisory Committee notes that the General Assembly has since decided, most recently by its decision [67/552 C](#), to defer consideration of both reports of the Secretary-General ([A/66/665](#) and [A/67/739](#)) and the related reports of the Committee to its sixty-eighth session. In this context, therefore, the Committee reiterates all its previous observations and recommendations on the proposals contained in the above reports of the Secretary-General so that the Assembly has an opportunity to examine them in conjunction with the observations and recommendations contained in the present report.

9. In section II of his report ([A/68/666](#)), the Secretary-General submits another proposal, according to which cash balances available as at 30 June 2013 amounting to \$88,393,000 would be used to partially settle the amounts due to Member States. He indicates that the amount due to Member States as at 30 June 2013 is \$161,866,000, comprising the claims of troop-contributing countries in closed missions with cash deficits (\$63,067,000), the net surplus in closed missions with cash surpluses (\$87,983,000) and loans to closed missions with cash deficits (\$10,816,000). He indicates that the available cash balances as at that date amounting to \$88,393,000 would allow reimbursement of 55 per cent of the amount due to each Member State. The Advisory Committee notes that this proposal is a

refined version of an earlier proposal submitted by the Secretary-General ([A/67/739](#), para. 10).

10. During its consideration of the report of the Secretary-General, the Advisory Committee was informed, upon enquiry, that the current proposal to reimburse 55 per cent of all amounts due to Member States would result in disbursements to Member States in arrears in the payment of their assessed contributions to active and closed peacekeeping missions. In that connection, the Committee was provided with information showing that, as at 31 December 2013, 171 Member States that would receive reimbursement had arrears in their assessed contributions to active and closed peacekeeping missions amounting to \$2,237 million, of which \$425 million (from 53 Member States) had been outstanding for more than four years.

11. The Advisory Committee reiterates that, while the proposal of the Secretary-General could help to mitigate the long-outstanding issue of unpaid claims to troop-contributing countries, it would still entail using surpluses that, in principle, should be returned in full to Member States ([A/67/837](#), para. 5) (see also para. 7 above).

III. Cash requirements of the Organization

12. The Advisory Committee recalls that the Secretary-General had previously proposed that the General Assembly should authorize temporary borrowing between active peacekeeping missions in order to alleviate cash shortages in active peacekeeping operations as a result of the inherent unpredictability of the receipt of assessed contributions ([A/67/739](#), para. 13). The Committee notes that borrowing between active missions is currently not permitted according to the terms of the resolutions of the Assembly on the financing of peacekeeping operations. In his report, the Secretary-General explained that such borrowing was not expected to negatively affect the operations of any peacekeeping mission because cross-borrowing needs of active missions had been relatively minor compared with the total cash position of all active missions.

13. The Advisory Committee further recalls that the Secretary-General has continued to request the retention of cash balances available for return to Member States from the accounts of closed peacekeeping missions in order to ensure sufficient liquidity to address the cash shortfalls of active peacekeeping missions owing to unpaid peacekeeping assessments ([A/66/665](#), para. 15 (b), [A/67/739](#), para. 14 (c), and [A/68/666](#), para. 22 (d)).

14. In this regard, the Advisory Committee recalls the repeated calls by the General Assembly for all Member States to pay their assessed contributions in full, on time and without conditions (see Assembly resolution [65/293](#)).¹ In addition, the Committee reiterates its concern about the continuing reliance on surpluses in closed peacekeeping missions for the cash requirements of active missions ([A/67/837](#), para. 8).

15. In section III of his report ([A/68/666](#)), the Secretary-General indicates that, while the level of cross-borrowing from closed missions declined from \$51 million

¹ See also resolutions 64/243, 62/236, 56/253 and 54/249.

as at 30 June 2012 to \$41 million as at 30 June 2013, active peacekeeping missions continued to experience temporary liquidity issues, hence the continued dependence on the cash surpluses of closed missions. In that regard, the Secretary-General refines the proposal for temporary borrowing between active missions by setting an overall cross-borrowing limit of \$100 million and proposes conditions for such cross-borrowing (ibid., paras. 17 and 18). As an alternative to cross-borrowing, the Secretary-General proposes the establishment of a \$100 million working capital fund for peacekeeping operations. According to the Secretary-General, the proposal is based on a suggestion by the Advisory Committee (ibid., para. 20). **The Advisory Committee recalls that, while it recommended that the General Assembly should request the Secretary-General to consider other possible alternatives, such as the feasibility of establishing a working capital fund for peacekeeping missions (A/67/837, para. 16), the recommendation has not yet been considered by the Assembly (see also para. 17 below).**

16. The Advisory Committee remains of the view that the proposal to authorize borrowing between active missions could be an inducement to the late payment of assessed contributions and still does not address the Committee's reservations with regard to utilizing resources due to Member States that have paid their assessed contributions in full and on time to meet the financial obligations to the Organization of Member States that have not paid their assessed contributions in a timely manner (A/67/837, para. 12).

17. Bearing in mind the relevant resolutions setting out the distinction between the legislative decision-making functions of the General Assembly and the advisory functions of the Advisory Committee, the Committee underscores that its recommendations that have not been endorsed by the Assembly should not be cited as justification for the proposals of the Secretary-General. In this regard, the Committee recalls that, in the context of cross-cutting issues relating to peacekeeping operations, the Assembly stressed that the Assembly has the sole authority to approve the implementation of recommendations of the Committee (see resolution 64/269, sect. I, para. 2).² The Committee is therefore of the view that, because its recommendations contained in paragraph 16 of its report A/67/837 have not yet been considered by the Assembly, they should not have been cited by the Secretary-General as a basis for his proposals in paragraph 20 of document A/68/666.

IV. Actions to be taken by the General Assembly

18. The actions to be taken by the General Assembly are set out in paragraph 22 of the report of the Secretary-General. **Subject to its comments and observations in paragraphs 5, 8, 11 and 14 to 17 above, the Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General.**

² See also A/68/783, para. 26.