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United Nations reform: measures and proposals

Review of the efficiency of the administrative and financial functioning of the United Nations

Programme budget for the biennium 2018–2019

Improving the financial situation of the United Nations

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

Improving the financial situation of the United Nations

Report of the Secretary-General

Summary

With the support of Member States, the implementation of my reform agenda is well under way. The United Nations is working to become more effective, nimble, accountable, transparent and efficient. It is committed to delivering results and to meeting the objectives set by Member States. However, the success of the Organization's efforts depends not only on the internal efforts of the Secretariat, but also on the support of Member States and on the predictability and adequacy of their financial contributions to United Nations programmes and activities.

On several occasions during the past two years I have expressed my concern about the deteriorating financial health of the Organization. The United Nations is facing deepening liquidity problems in its regular budget, a trend that must be urgently halted and reversed. Peacekeeping operations also face frequent cash constraints that force the Organization to postpone the settlement of its obligations to troop- and police-contributing countries.

The present report details a set of measures to address both the liquidity and broader structural problems that constrain budget management. I count on the full support of Member States to provide the Organization with common-sense solutions that will address the present unsustainable situation.

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I. Introduction

1. In taking my oath of office, I promised to work hand in hand with Member States to make reform a priority. I made it clear that reform is not an end in itself. The purpose of reform is simple and clear: to best position the United Nations to do the work that Member States ask of it and to better serve people.

2. With the backing of Member States, I have launched some of the most extensive reforms the Organization has ever seen. The United Nations is working to become more effective, nimble, accountable, transparent and efficient. It is committed to delivering results for the people it serves and to meeting the objectives set by Member States. However, the success of the Organization's efforts to improve mandate delivery depends on more than the internal efforts of the Secretariat. It also rests on the predictability and adequacy of the financial contributions of Member States to United Nations programmes and activities.

3. On several occasions in the past two years I have expressed my concern about the deteriorating financial health of the Organization. It is facing deepening liquidity problems in the regular budget that are diverting its focus from programme delivery based on mandates to periodically adapting workplans based on cash availability. At the end of 2018, the United Nations truly reached bottom when it experienced the deepest deficit in a decade, one that completely eroded all its available liquidity reserves. Several peacekeeping missions are also facing severe liquidity problems that force the Organization to withhold payments to troop- and police-contributing countries for their personnel and equipment in order to avoid the disruption of field operations, essentially transforming troop- and police-contributing countries into major financers of peacekeeping. A major cause of that deterioration is the increase in arrears from Member States. However, other factors are also at play. The United Nations faces inherent structural weaknesses and rigidities in budget methodologies that exacerbate cash shortfalls. Those, too, are matters which require urgent attention. The Organization must review its current financial situation with a deeper examination of the root causes.

4. At its inception, the Organization was resourced with a budget and a Working Capital Fund. Its first financial regulations set out that the budgetary requirements would be financed from contributions from Member States and, pending the receipt of such contributions, that the budget may be financed from the Working Capital Fund. Article 19 of the Charter of the United Nations provided a deterrent to the accumulation of arrears with respect to payments of financial contributions by States Members of the United Nations.

5. While all those fundamentals continue to apply, the budget methodology and regulatory framework are now outdated. The level of the Working Capital Fund has not kept pace with the level of authorized appropriations. In addition, those appropriations are often based on unrealistic assumed vacancy rates. New mandates, unforeseen and extraordinary expenses, adjustments for currency and inflation and other costing standards result in additional expenditures which cannot be accommodated within the level of the Working Capital Fund.

6. Most peacekeeping operations are financed in individual accounts, separate from the regular budget of the Organization. The Peacekeeping Reserve Fund was established as a cash flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping operations. However, the use of the Peacekeeping Reserve Fund has since been restricted to new operations and the expansion of existing operations or for unforeseen and extraordinary expenses related to peacekeeping. In addition, the General Assembly has specified that no peacekeeping mission should be financed by borrowing from other active peacekeeping missions.

As there is no working capital mechanism for peacekeeping, the Organization has no established capacity to deal with liquidity challenges encountered in peacekeeping operations.

7. The current Financial Regulations and Rules of the United Nations provide for the payment of contributions within 30 days. However, the penalty set out in Article 19 of the Charter only applies to the accumulation of arrears equivalent to two years of assessed contributions. On the other hand, the budgetary methodology assumes timely payment and therefore provides for the credit return of budgetary savings at the end of each fiscal year.

8. As a result, the Organization is faced with financial challenges which are not only the product of payment patterns and arrears relating to Member States' contributions, but are also caused by structural weaknesses in budget methodology that hinder my ability, as chief administrative officer, to manage the Organization and its resources to meet evolving requirements in a rapidly changing environment. Therefore, both predicaments must be addressed to put the Organization on a sound and stable financial footing, to allow it to focus on the mandates it is meant to fulfil and ensure that the people it serves are never exposed to the impacts of its financial uncertainties. The present report sets out proposals to turn around the financial health of the Organization.

II. Regular budget

9. The basic principles of the Organization's budgetary process are set out in Article 17 of the Charter of the United Nations, which provides that the General Assembly shall consider and approve the United Nations budget, and apportion the expenses among the States Members of the United Nations. As the chief administrative officer of the Organization, I am responsible for preparing and submitting a budget proposal to cover the costs of the activities of the United Nations Secretariat funded under the regular budget. The Organization relies on Member States to provide adequate resources and to pay their contributions on time and in full.

10. The United Nations has shown itself capable of adapting to the changes in the scope and breadth of mandates entrusted to it since its creation more than 70 years ago. As a consequence, the planning and budgeting process and the related tools and mechanisms have evolved in response to those changes. Accordingly, the General Assembly has taken action to adapt the planning and budgeting tools in support of the efficient and effective delivery of mandates.

11. Most recently, in my report entitled "Shifting the management paradigm in the United Nations: improving and streamlining the programme planning and budgeting process" (A/72/492/Add.1), I proposed additional enhancements to the current planning and budgeting process to further improve the management of the Secretariat. In its resolution 72/266 A, the General Assembly approved the proposed change from a biennial to an annual budget period on a trial basis, beginning with the programme budget for 2020. In accordance with that resolution, the proposed programme budget document consists of three parts: (a) part I, the plan outline, which describes the long-term priorities and objectives of the Organization; (b) part II, the programme plan for programmes and subprogrammes, and programme performance information; and (c) part III, the post and non-post resource requirements for the programmes and subprogrammes. Parts I and II are submitted through the Committee for Programme and Coordination, and part III through the Advisory Committee on Administrative and Budgetary Questions, for the consideration of the Assembly.

12. The budget proposal sets out resource requirements based on planned programmatic activities in order to deliver the priorities and mandates contained in parts I and II. The budget is presented in United States dollars and is based on a number of costing assumptions related to currency, inflation, vacancy and other standards. Under current arrangements, the General Assembly decides annually on the amount to be assessed to finance the approved regular budget. Subsequent to the approval and assessment of the budget, additional resource requirements may arise due to new mandates stemming from items considered by the main committees of the Assembly, to whom the programme budget implications of proposals are presented before the adoption of draft resolutions. In addition to those statements of programme budget implications, the Secretary-General may also submit revised estimates related to required changes to the programme of work. Unforeseen and extraordinary expenditures may also be incurred for the biennium, as certified by the Secretary-General or the President of the International Court of Justice (see resolution 72/264). Such additional requirements are taken into account in the next annual assessment of the regular budget. The actual expenditures can also be a source of significant variations in requirements owing to differences between budgeted and actual costing parameters related to currency, inflation, salary standard costs or vacancy rates.

13. For the efficient and effective delivery of its programme of work, the Secretariat was provided with a liquidity mechanism for the programme budget composed of the Working Capital Fund and the United Nations Special Account. The Working Capital Fund was established in 1946 to provide the advances necessary to finance appropriations, pending the receipt of contributions, and to finance unforeseen and extraordinary expenses pending appropriation action by the General Assembly. Each biennium, the Assembly adopts a resolution by which the Fund is re-established at a prescribed level, which is currently $150 million. Member State advances to the Fund are based on the size of the Fund and the States' rates of assessment in the first year of the biennium.

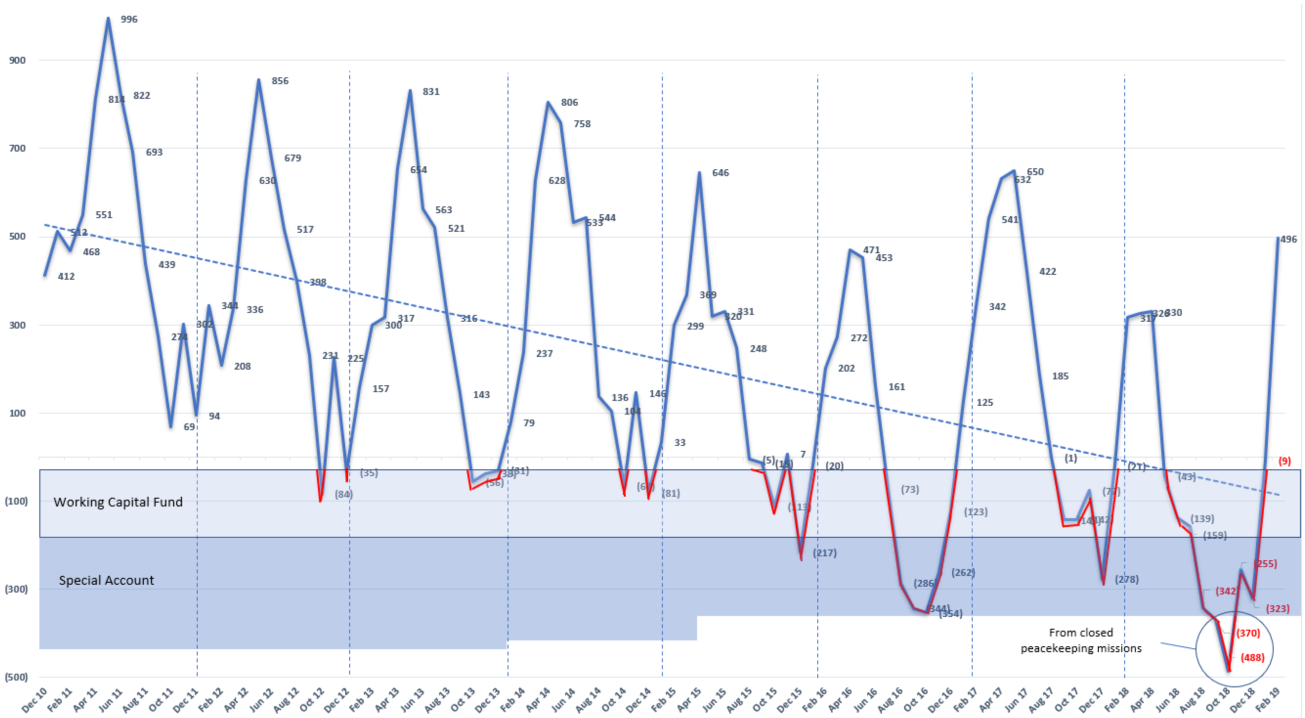
14. The United Nations Special Account was established in 1965, pursuant to General Assembly resolution 2053 A (XX), to record the results of the Secretary-General's appeal to the Governments of all Member States to make voluntary contributions so that the financial difficulties of the Organization might be solved. In its resolution 3049 A (XXVII) of 1972, the Assembly requested the Secretary-General to establish another special account into which voluntary contributions might be paid and used for the purpose of clearing up the past financial difficulties of the United Nations and especially for resolving the short-term deficit of the Organization referred to in the report of the Special Committee on the Financial Situation of the United Nations (A/8729), and to merge into that account the Special Account.

15. The Working Capital Fund covers cash deficits in the regular budget operations. When the Fund's balance is exhausted, additional cash requirements are met by borrowing from the Special Account. Such borrowings are returned as soon as cash becomes available for regular budget operations. Interest earned on the balance in the Special Account is credited back to the Account. The Special Account balance peaked in 2013 to approximately $264 million but shrank to roughly $197 million in 2015 after two separate decisions by the General Assembly in 2013 (see resolution 68/245 A) and 2015 (see resolution 69/274 A) to use those funds to finance the regular budget. At the end of 2018, the Special Account had a balance of $203 million, of which $173 million had been lent to the regular budget to cover its cash deficit.

Financial problems undermining budget implementation

16. In recent years, regular budget operations have faced severe liquidity problems. The problems have been getting worse year after year, with cash deficits occurring earlier, running deeper and lingering longer (see figure I).

Figure I
Regular budget cash balance trend since 2010
(Millions of United States dollars)



17. While the Organization had a positive cash balance of $412 million at the end of 2010, it finished 2018 with a negative cash balance of $323 million – a decrease of $735 million in an eight-year period. That is partly due to three separate, one-time decisions during 2011, 2012 and 2015 that affected the Tax Equalization Fund[1] and reduced the Organization's liquidity by $303 million. However, other significant and persistent factors in the liquidity problem include high and increasing arrears, delays in receiving payments and structural weaknesses in the budget methodology that create a gap between spending and the timing and collection of assessments. Some variances are also caused by normal business operations due to the movements in the amounts payable to, and receivable from, vendors, staff and other non-Member State business partners.

18. Regular budget assessments are issued at the beginning of each year. Member States are required to pay their contributions in full within 30 days. In 2017 and 2018, 73 Member States had paid their contributions in full by the end of the first quarter, compared with 62 in 2016 and 67 in 2015. So far, 74 Member States have paid in full in 2019. I thank Member States for their continuing efforts and positive responses to my appeals to pay in full and on time. Regrettably, some Member States pay neither in full nor on time. The level of arrears at the end of 2018 was $529 million, equivalent to more than 21 per cent of that year's assessments and nearly 150 per cent of the liquidity reserves. The outstanding contributions as at 31 December 2017 and 31 December 2018 are shown in annex I.

19. The trend in the level of unpaid assessments at the end of each year has also been disturbing. The total dues at the end of the year, as a percentage of the assessment

[1] The Tax Equalization Fund is used as a mechanism to manage the reimbursements of national income taxes levied by Member States on the emoluments of United Nations personnel by recovering such payments from the concerned Member States.

for the year, have been growing, thus contributing to the cumulative arrears and wiping out the normal liquidity reserves (see table 1). For example, the United Nations started 2019 with only $30 million in cash reserves instead of the $353 million that should have been available from the Working Capital Fund and the Special Account. When contributions are either not received in full or on time from sufficient numbers of Member States, that naturally reduces the Organization's ability to meet its obligations.

Table 1
Outstanding contributions as at year-end, 2010–2018
(Millions of United States dollars)

	2010	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*
Prior arrears	3	13	10	9	16	78	36	27	16
Current dues	348	441	317	452	519	455	373	504	513
Dues as of year-end	351	454	327	461	535	533	409	531	529
Assessment	2 167	2 415	2 412	2 606	2 612	2 771	2 549	2 578	2 487
Dues as percentage of assessment	16.2	18.8	13.6	17.7	20.5	19.2	16.0	20.6	21.3

20. While the trend in year-end unpaid assessments is indicative of the liquidity problem, it is also important to review the situation experienced during the year. The year-end situation often suggests a lesser cash shortfall due to late incoming contributions in the final months. That, however, obscures the challenges in managing the obligation to settle bills and meet payrolls during the year in the face of uncertainty about incoming contributions, as year-end contributions are not available to address cash shortages earlier in the year. Programme managers, from the outset of the year, cannot plan and implement their activities with the full certainty that they will have enough resources do so throughout the year.

21. In recent years, cash shortages have begun earlier in the year, reflecting the changing payment pattern by Member States. Since 2010, the level of outstanding contributions from June to September has been increasing. Consequently, cash shortages are no longer limited to just the last few months of the year, and now begin as early as midyear. As shown in table 2, the level of unpaid contributions at midyear has significantly increased. At the end of June 2010, 61.8 per cent of the assessment had been received, compared with only 42.1 per cent by June 2018. Similarly, the Organization had received 63.7 per cent of the assessment by end of the third quarter in 2010 but only 56.3 per cent in 2018. That trend further increases unpredictability for programme managers and undermines planning efforts.

Table 2
Assessment and outstanding contributions from June to September, 2010–2018
(Millions of United States dollars)

	2010	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*
Assessment	2 167	2 145	2 412	2 606	2 612	2 771	2 549	2 578	2 487
Outstanding contributions									
June	827	964	989	1 022	1 153	1 378	1 344	1 210	1 441
July	799	952	977	963	1 135	1 233	1 343	1 207	1 251
August	797	918	898	953	1 123	1 231	1 325	1 167	1 243
September	787	869	855	945	1 075	1 053	1 189	1 095	1 088

22. The changing payment pattern is primarily the result of later payments by Member States that owe large amounts. As of the end of June 2018, 86 Member States owed a total of $1.4 billion. In comparison, while 100 Member States had unpaid contributions as of the end of June 2010, the total amount owed was significantly less, at $827 million. Similarly, as of the end of September 2018, 52 Member States owed a total of $1 billion, compared with 74 Member States owing $787 million as of the end of September 2010. The cash available during the first half of the year is shrinking and the Organization's exposure in the second half is increasing.

23. Over time, the pattern of incoming contributions is also affected by trends in assessment rates under the scale of assessments. Even if all Member States paid using the same timing each year, the share paid by individual Member States changes each time the scale of assessment is updated. For example, and as shown in table 3, for the period 2007–2009, the 10 largest contributors accounted for 76 per cent of regular budget contributions. With changes in rates over the years, those same 10 Member States accounted for only 66 per cent for the period 2016–2018. After taking into account changes in composition, the 10 largest contributors for the period 2016–2018 accounted for 69 per cent. Those figures demonstrate not only the significant changes to assessment rates over the past decade, but also a trend towards a diffusion of financial responsibility across a larger portion of the membership. It also means that the overall payment pattern depends more broadly on the timeliness of payments across the membership of the Organization rather than on just a handful of Member States.

Table 3
Percentage of regular budget contributions by the largest contributors, by biennium

	2007–2009	*2010–2012*	*2013–2015*	*2016–2018*
10 largest contributors	76.092	72.203	69.233	68.892
20 largest contributors	89.059	86.455	84.489	83.780
30 largest contributors	94.429	92.657	91.196	90.546

24. Recently, cash deficits have run so deep that the existing liquidity-bridging mechanisms – the Working Capital Fund and the Special Account – have proved inadequate. In 2018, the Organization faced significant cash flow problems for nearly half the year and had to take extraordinary measures to slow down or delay expenditures. For the first time in recent years, the Organization was forced to use resources from closed peacekeeping missions to meet payroll obligations as the deficit dipped to $488 million, completely using up the balances in both the Working Capital Fund and the Special Account.

25. The liquidity problems experienced by the regular budget are further compounded by structural weaknesses in the budget methodology, as explained below.

Variances of key parameters

26. When a budget is approved before the commencement of the budget period, it is based on several costing parameters that are estimated. Some of those parameters can cause significant variances when compared with the actual expenditures if the initial estimates are not borne out during the budget execution. Table 4 illustrates the variances during the last four budget periods, as reflected in the first performance reports, broken down by some of the key parameters, such as the vacancy rate for posts, currency fluctuations, inflation and the standard costs for salaries, and

unforeseen and extraordinary expenses or commitment authorities. The table also illustrates that the General Assembly does not necessarily approve the amount presented for approval based on the approved budget methodology. To facilitate political agreement on the overall level, some of the building blocks, such as realistic vacancy rates or actual expenditure patterns, are sometimes not accommodated in the final number, which inevitably puts further pressure on liquidity during budget implementation.

Table 4
Variances of key parameters at the first performance report stage

(Millions of United States dollars)

Biennium	*Unforeseen and extraordinary expenses/ commitment authorities*	*Currency*	*Inflation*	*Standard salary costs*	*Vacancy rate*	*Total*	*Amount approved by General Assembly*
2012–2013	5.1	53.1	143.8	26.5	34.8	263.3	91.3
2014–2015	22.8	(24.5)	(5.3)	32.2	9.6	34.7	34.7
2016–2017	20.9	47.7	(12.9)	30.3	(34.1)	52.0	52.0
2018–2019	23.4	10.3	12.6	30.5	83.0	159.8	109.8

27. During the biennial budget process, such variances are normally approved by the General Assembly on two separate occasions. The first approval is based on the first performance report for the biennium during the main session in the first year of the biennium. That approval covers the difference already experienced during the first year of the budget period as well as the estimated difference for the remaining part of the budget period. The second approval is based on the second performance report for the biennium during the main session of the Assembly in the second year of the biennium. That timeline is illustrated in figure II. In the annual budget cycle, the second performance report is not relevant, while the variances during the budget period will be presented after the budget period in a performance report.

Figure II
Timing of recosting under biennial budget process

Biennium												
Year 2										Second performance report		General Assembly approval
Year 1										First performance report		General Assembly approval
Year -1		Published budget										Update of rates
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

Vacancy rates

28. Budget proposals are developed and presented based on assumed vacancy rates for different grades of posts. The budget is usually approved on the assumption that those vacancy rates will affect resource needs. However, the General Assembly directs that such vacancy rates only be used for budgetary calculations and should not be the basis for achieving budgetary savings. The Assembly also directs the Secretariat to improve recruitment timelines and fill vacant positions. In other words, the Secretariat is expected to expeditiously fill all the vacant positions so that mandated activities can be properly implemented with the human resources necessary for such implementation. As a result, when vacant positions are filled and the actual vacancy rate falls below the budgeted vacancy rate, the expenditures for staff costs

are higher than budgeted. When more posts are vacant than budgeted, they are reflected as underexpenditures in staff costs.

29. As assessments for approved budgets are done annually, the budget methodology introduces a lag between spending and assessments. When vacancy rates are lower than budgeted because the Secretariat is able to fill the posts expeditiously, the unassessed expenditures create additional pressure on liquidity. Therefore, when budgets are calculated and approved using vacancy rates that are artificial or even higher than the actual vacancy rates at that time, the increased staff expenditures, which are higher than the budgeted expenditures, put increased pressure on liquidity and the Organization starts the budget period with less cash than needed to pay the salaries and related costs required for the entire year.

30. For the biennium 2018–2019, the General Assembly approved, in December 2017, a vacancy rate of 11.5 per cent for staff in the Professional category compared with the proposed 8.8 per cent, and a vacancy rate of 8.7 per cent for staff in the General Service category compared with the proposed 7.7 per cent. At the same time, the Assembly approved a staffing table of 9,959 posts, accounting for nearly 70 per cent of the budget (see resolution 72/261). The actual vacancy rates in December 2017 were 8.7 per cent for staff in the Professional category and 7.8 per cent for staff in the General Service category, meaning that there were 181 more staff employed than were approved by the Assembly. That artificial vacancy rate, which was assumed when approving the budget in 2017, accounted for roughly $66 million of the additional amount requested in the first performance report at the end of 2018.

31. The introduction of the annual budget improves the accuracy of the overall budget, as vacancy rates are initially estimated for one year instead of two. However, it does not solve the problem caused by the assumption during budget negotiations of artificial vacancy rates in order to meet budgetary targets. Therefore, the liquidity pressure caused by salary costs being greater than budgeted due to artificial vacancy rates will remain.

Currency fluctuations and inflation

32. The regular budget is presented and approved in United States dollars. Assessments are also collected in United States dollars. However, expenditures are incurred in multiple currencies. Depending on the strength of the dollar relative to other currencies, exchange gains or losses are experienced during budget implementation. In recent years, currency forward contracts have been purchased for Swiss francs and euros with a view to reducing the budgetary volatility caused by currency fluctuations.

33. When budgets are prepared, inflation forecasts are used to budget for non-post costs, while inflation is also factored into salary costs through the post adjustment multipliers promulgated by the International Civil Service Commission in respect of staff in the Professional category and through cost-of-living-adjustments for staff in the General Service category. Variances between assumed and actual rates can cause significant increases or decreases in budgets and expenditures relative to assessments.

Standard salary costs

34. Budget estimates are formulated using standard salary costs for different grades based on groups of duty stations. Actual expenditures vary from the standard for a variety of reasons, such as changes in the composition of the category and level of staff across duty stations and changes in salary scales. Such variances are also adjusted during the first performance report to reduce the gap between the original estimates and the final actual experience.

35. Common staff costs (such as onboarding and termination costs, education grants, etc.) are also estimated for budget preparation on the basis of past experience. When actual expenditures vary from budgetary estimates, they are also reflected in the performance reports.

Unforeseen and extraordinary expenses

36. Every biennium, the General Assembly authorizes me to enter into commitments to meet unforeseen and extraordinary expenses arising either during or subsequent to the biennium (see resolution 72/264 and financial regulation 2.11). Those measures allow me to enter into commitments of up to a total of $8 million per year for peace and security without the concurrence of the Advisory Committee on Administrative and Budgetary Questions, $725,000 per biennium for the International Court of Justice and $1 million per biennium for security measures pursuant to section XI, paragraph 6, of resolution 59/276. In addition, they allow me, with the concurrence of the Advisory Committee, to enter into commitments relating to the maintenance of peace and security of up to $10 million per relevant decision of the Security Council. The commitments made are to be reported to the Advisory Committee and the Assembly, and supplementary estimates are to be presented to the Assembly. Although those measures allow me to enter into commitments to meet urgent requirements, they do not include the authority to assess Member States, and therefore the measures in fact exacerbate liquidity challenges in the short term.

37. The amounts of such commitments are set out in table 5.

Table 5
Unforeseen and extraordinary expenses/commitment authorities
(Millions of United States dollars)

Year	*Amount*
2019[a]	4.6
2018	26.2
2017	37.8
2016	20.9
2015	34.6
2014	22.8
2013	43.3
2012	5.1

[a] As of March 2019.

New mandates

38. Furthermore, additional mandates are approved by the General Assembly and the Security Council after the approval of the budget, yet they are assessed only at the beginning of the following year. For example, table 6 shows the amounts that were approved in the first and second resumed sessions but not assessed until the following year.

Table 6
New mandates not assessed until the following year
(United States dollars)

Resumed session of the General Assembly	*Amount not assessed until the following year*
Seventy-first (2017)	6 059 600
Seventieth (2016)	6 925 100
Sixty-ninth (2015)	87 424 600
Sixty-eighth (2014)	8 201 600

39. Taken together, the weaknesses in the budget methodology outlined in paragraphs 26 to 38 above create a situation in which regular budget expenditures during the year outpace the issuance of assessment letters and the collection of contributions. That phenomenon does not occur because of poor budget planning or overspending by the Secretariat, but rather is caused by the effects of currency fluctuation, inflation, salary cost standards and vacancy rates that are approved at the end of one year and assessed only in the next.

40. During the course of the year, those practices place considerable pressure on the Organization’s fragile cash situation and ability to meet its operational expenses. This means that, even if all Member States pay on time and in full, the United Nations will still face cash problems at different times during the year.

41. The initial appropriation for a biennium, approved just before the start of that biennium, is usually revised upward after the first performance report. A part of the increase in the appropriation corresponds to the expenditures that have already been incurred in the first year of the biennium but are assessed only at the beginning of the second year. Similarly, the increase in the final appropriation, approved on the basis of the second performance report, also can be assessed only in the year following the biennium. In both cases, the expenditures are incurred before the assessments are made and the contributions collected.

42. The lag between appropriations/expenditures and assessments in recent bienniums, which results in a delay in contributions for appropriations/expenditures already incurred, has created a large gap that erodes the liquidity provided by the Working Capital Fund, which is already being used to finance gaps in liquidity caused by late contributions or the non-payment of contributions (see table 7).

Table 7
Lag between appropriations/expenditures and assessments
(Millions of United States dollars)

Biennium	*First year*	*Second year*
2010–2011	125.8	49.2
2012–2013	147.9	169.5
2014–2015	82.1	154.8
2016–2017	61.7	68.7
2018–2019	147.9	..

43. That heightens the pressure on and hinders the ability of the Secretariat to manage the resources of the Organization to meet mandates. Moreover, in December 2018, Member States took a step that added uncertainty to the process and further compounded the liquidity problem. The resources requested in the first performance

report for the biennium 2018–2019 (see A/73/493), according to the Organization's recosting methodology, were reduced by $50 million by the General Assembly (see resolution 73/279). Again, that naturally places additional pressure on the Organization's ability to deliver mandates. Simply to meet payroll expenses towards the end of 2018, the Secretariat had to slow down and delay expenditures, such as major maintenance, from the start of 2018. For the biennium 2012–2013, of the $263.3 million sought in the first performance report (see A/67/592), the Assembly approved only $91.3 million, and did not approve the standard costs for salary and common staff costs for both 2012 and 2013 nor the inflation/exchange rates for 2013 (see resolution 67/246).

44. In 2018, the Secretariat was able to limit delays in expenditure to areas that would not have a direct impact on mandate delivery or existing staff, but some of the larger special political missions had to postpone some essential acquisitions and upgrades. Some of those expenditures cannot be delayed any longer without undermining operations, and should be incurred in 2019, but the ability to do so will depend on cash availability. In 2019, the scope for minimizing the impact on safety, staff and programme delivery will become more restricted if the liquidity problem persists. As nearly 70 per cent of regular budget expenditures go towards meeting salaries and related staff costs, delays will most likely cause operational problems and affect programme delivery. Programme managers have already been advised to curtail post and non-post expenditures in order to align them with cash availability, and are attempting to mitigate any adverse impact on mandate delivery. However, in that scenario, budget implementation is already beginning to be guided by liquidity considerations rather than by purely programmatic imperatives.

45. While delaying other expenditures has enabled the payment of salaries, that practice is unsustainable. It also means that certain expenditures are deferred to future budget periods, thus transferring today's problems to tomorrow. Eventually, the postponement of expenditures will become budget reductions when time to commit the funds runs out. In that scenario, the budget implementation will no longer be driven by programme planning but by the availability of cash at hand. That is not due to a lack of planning, but simply because the United Nations cannot spend money it does not have on activities for which it budgeted. Such an action goes against the Organization's budgetary principles.

Surrender of appropriations

46. The Financial Regulations and Rules[2] provide that if the actual expenditures are lower than the budget, the difference must be returned to Member States. That is currently done as an offset to the overall amount assessed for the regular budget, which means that Member States proportionally benefit from the credit offset, and only pay the net amount based on the scale of assessments. In addition, the financial regulations allow for funds to be committed and held as obligations for a year before the legal obligation is discharged. At the end of that year, any unliquidated obligation is surrendered and any residual legal obligation is met from the current budget (see regulations 5.3 and 5.4). Such surrendered funds are also adjusted as offsets to the

[2] In accordance with financial regulation 3.2, Member States shall be assessed on the basis of half of the appropriations approved by the General Assembly approved for that budget period, except that adjustments shall be made to the assessments in respect of any balance of appropriations surrendered. In accordance with financial regulations 5.3 and 5.4, appropriations remain available for 12 months following the end of the budget period to which they relate and the balance of the appropriations shall be surrendered. At the end of the 12-month period, the remaining balance of any appropriations retained will be surrendered.

amount assessed for the regular budget. The amounts of such credits are shown in table 8.

Table 8
Credits to Member States for unspent funds
(Millions of United States dollars)

Biennium	*Unencumbered balance*	*Savings of prior-period obligations*
2010–2011	2.2	23.1
2012–2013	40.3	33.0
2014–2015	120.1	45.2
2016–2017	28.6	25.0

47. The unencumbered balance for a biennium is determined after the budget period ends and is presented to the General Assembly in the financial statements for the second year of the biennium. Thus, the unencumbered balance for 2016–2017 would be presented in the financial statements for 2017, which were finalized by 31 March 2018, and audited thereafter. The credit for that balance, effectively apportioned among the Member States, is offset at the next available opportunity, namely, the assessments for 2019 done in January 2019. Thus, unencumbered balances are offset as credits in the assessment for the second year after the end of the biennium. The savings from the cancellation of prior-period obligations are offset in the assessments for the year following the end of the biennium, as they are required to be cancelled only at the end of 12 months after the end of the biennium. So, obligations from the funds for the biennium 2016–2017 would be valid until the end of 2018, and cancelled only at the end of 2018 if they are not discharged by that time. Accordingly, they would be reported in the financial statements for 2018, which are presented in March 2019, and audited by the Board of Auditors by July 2019. They would, therefore, be offset as credits against the assessments for 2020 in January 2020.

48. The above credit offsets occur even if a Member State does not contribute its portion, and even if the Organization is going through a challenging cash situation. Therefore, on the one hand, the United Nations cannot spend that money on programmatic activities because it did not receive it. On the other, the Organization is forced to give that same non-existent money back to Member States because, not having received it, the Organization could not spend it.

49. The solution therefore lies not only in ensuring that all Member States pay in full and on time, but also in putting tools in place that enable the United Nations to manage the expenditure levels in a manner that would support programme delivery. The Organization is facing a true catch-22 situation for which, in the present context, it has no remedy.

III. Peacekeeping budget

50. Peacekeeping budgets are prepared on the basis of mandates from the Security Council. Each peacekeeping operation has its own budget, and those budgets are individually approved, usually for a full year, based on the peacekeeping budget cycle (from 1 July to 30 June, as reflected in financial regulation 1.2).

51. The General Assembly approves each mission's budget and appropriates the amount for the financial period, subject to the extension of the mission's mandate by the Security Council. Once the Assembly approves the peacekeeping budgets, Member States are issued letters of assessment for each individual peacekeeping

mission. Since the budget cycle of a peacekeeping operation and the Council mandate are rarely aligned, letters of assessment are only issued for the period for which the mission's mandate has been approved by the Council. Member States are required to pay their contributions separately for each mission in full within 30 days of issuance of the assessment letter. Prior to the end of the mandate period, the Secretary-General prepares a report to the Council on the progress in the implementation of the mandate and recommendations for the renewal of the mandate. If the Council decides to extend a mission's mandate, additional assessments are issued for that designated period of time or for the remainder of the fiscal year.

52. Over the years, the Secretariat has striven to reduce the costs of United Nations peacekeeping through a number of efficiency initiatives, including the global field support strategy; the Secretary-General's initiative to enhance the efficiency and cost-effectiveness of aviation; the new methodology for the calculation of reimbursement for the rotation of contingents under letters of assist; improvement in the delivery of combat rations packs; enhancing vehicle fleet management; the reduction of surplus and heavy-duty vehicles; and the introduction of quality rations management. Those actions have been coupled with efforts to rightsize operations through civilian staffing reviews, strategic reviews and capability studies.

53. During a financial period, a peacekeeping mission may prepare a revised budget or supplementary request, as applicable, if its mandate has changed significantly. For new missions or additional requirements due to expansions of mandate and/or operations, the Secretary-General is authorized, with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, to enter into commitments of up to $100 million per mission from the available balance of the Peacekeeping Reserve Fund, provided that the cumulative total of outstanding commitment authority does not exceed the total level of the Peacekeeping Reserve Fund at any one time. For requirements above $100 million, a commitment authority must be requested from the General Assembly (see financial regulation 4.8). Occasionally, a commitment authority to spend is approved for a shorter duration, with or without an assessment.

54. Unlike the regular budget, peacekeeping operations do not have a working capital fund. The Peacekeeping Reserve Fund, which was established by the General Assembly in its resolution 47/217 at the level of $150 million, is available only to support new missions and the expansion of existing missions. The only reserve for active missions is the cash from closed missions awaiting final settlement. Those funds are used for short periods to cover the operational needs of selected missions and have to be replenished once payments are received. However, the cash balances of closed missions were never meant to be a liquidity reserve for active peacekeeping operations, therefore they are not a sustainable mechanism.

55. The General Assembly has, since its fifty-third session, included paragraphs in financing resolutions for missions emphasizing that no peacekeeping mission shall be financed by borrowing funds from other active peacekeeping missions. That constraint prevents the efficient management of peacekeeping operations' cash as a pool. The aggregated cash balance for active peacekeeping missions tends to be more than $1 billion most of the time. Yet, more than one third of missions frequently do not have adequate cash resources to cover all their costs, and cannot draw, even temporarily, from missions in stronger cash situations.

56. In the absence of a working capital mechanism, it has been the practice to maintain a three-month operating reserve for each mission. Whenever any peacekeeping mission has fewer than three months of cash reserves, payments due to the troop- and police-contributing countries are delayed in order to ensure adequate

cash to pay the salaries of staff and individual contractors and the bills of commercial vendors to avoid disruptions in services.

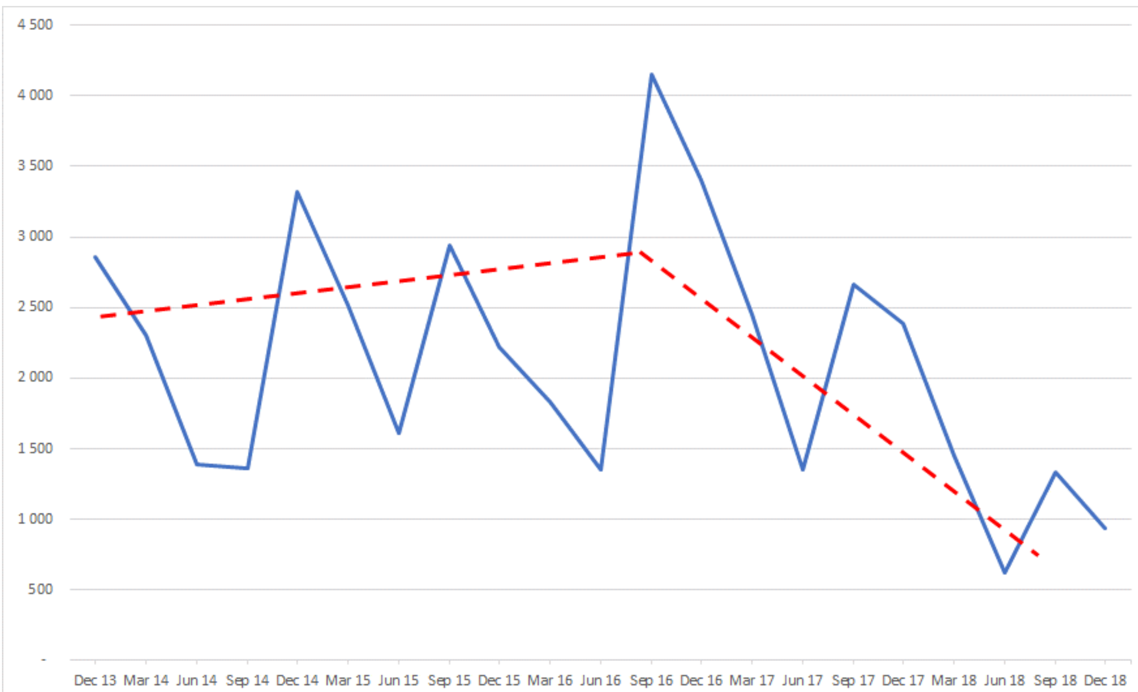
57. Troop- and police-contributing countries make every effort to provide well-trained and -equipped personnel to peacekeeping operations, and they continue to improve on that objective. Reimbursement by the United Nations for their contributions is key to supporting those efforts. The delays in reimbursing the contributing countries expose them to financial challenges in pursuit of their efforts and consequently have an adverse impact on the operations and the delivery of their mandates.

Liquidity challenges undermining peacekeeping operations

58. As with regular budget operations, peacekeeping operations constantly face liquidity challenges. As shown in figure III, the cumulative cash balances of peacekeeping operations are decreasing due to increasing arrears and late payments.

Figure III
Cash balance trend in active peacekeeping missions as of the end of December, 2013–2018

(Millions of United States dollars)



59. As of the end of the 2017/18 peacekeeping fiscal year, outstanding contributions to peacekeeping operations amounted to almost $2 billion, well above the $1.3 billion unpaid as at 30 June 2017, as shown in table 9. The unpaid dues as of end of June 2018 accounted for more than one quarter of the budgets approved and assessed for peacekeeping. The overall level of unpaid peacekeeping contributions is also affected by the decision of one Member State to contribute at a level approximately 3 per cent below its applicable rate of assessment. Detailed information on the composition of the unpaid contributions as at 30 June 2017 and 30 June 2018 is provided in annex II.

Table 9
Outstanding peacekeeping contributions as of the end of June, 2014–2018
(Millions of United States dollars)

	2014	*2015*	*2016*	*2017*	*2018*
Prior arrears	792	839	797	893	1 403
Dues, January to June	322	716	937	448	586
Dues as of the end of June	1 114	1 555	1 734	1 341	1 989
Peacekeeping assessment	7 790	8 382	8 154	7 725	7 163
Dues as percentage of assessment	14	19	21	17	28

60. As at 31 December 2018, peacekeeping arrears amounted to about $1.5 billion, of which more than $1 billion related to active missions. As illustrated in table 10, only two missions had a minimum cash reserve of three months of operating costs while many of them had cash for one month or less of operations.

Table 10
Cash reserves of active peacekeeping missions as at 31 December 2018

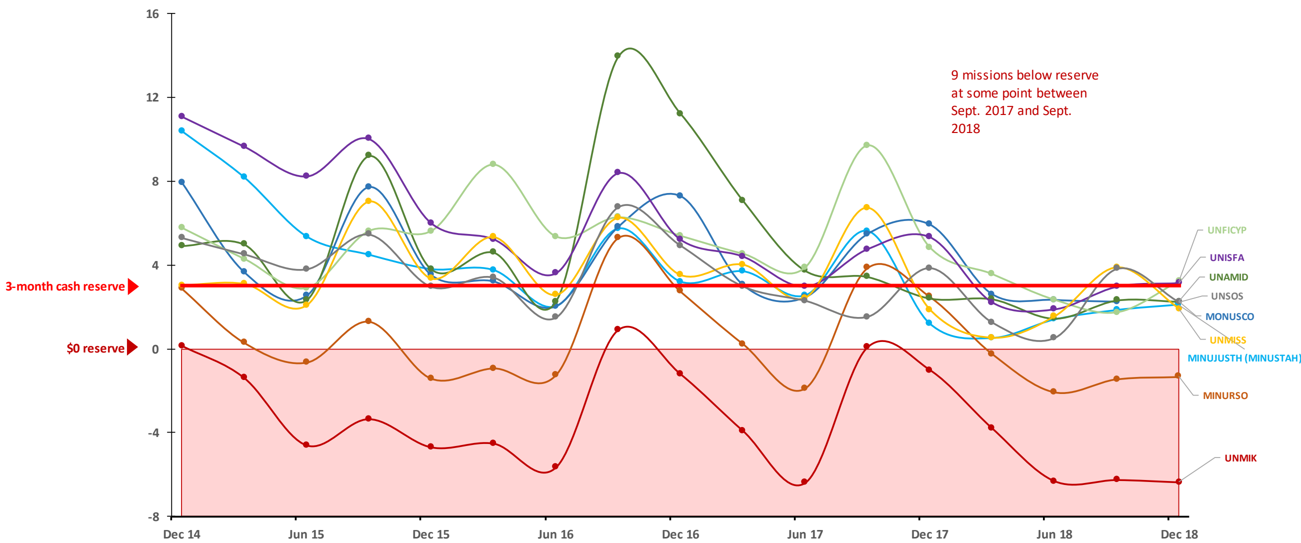
Mission	*Cash balance*	*Pending payments to troop- and police-contributing countries*	*Net cash*	*Months of operating costs in net cash reserves*
	(Millions of United States dollars)			
United Nations Organization Stabilization Mission in the Democratic Republic of the Congo	142.5	97.0	45.5	0.5
United Nations Mission in South Sudan	119.6	61.2	58.4	0.6
United Nations Multidimensional Integrated Stabilization Mission in Mali	238.4	–	238.4	2.7
United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic	177.7	–	177.7	2.3
United Nations Support Office in Somalia	88.8	4.7	84.1	1.8
United Nations Interim Force in Lebanon	155.2	–	155.2	3.9
African Union-United Nations Hybrid Operation in Darfur	96.6	69.9	26.7	0.4
United Nations Interim Security Force for Abyei	39.2	16.3	22.9	1.0
United Nations Mission for Justice Support in Haiti	17.6	5.4	12.2	1.2
United Nations Disengagement Observer Force	18.6	–	18.6	3.7
United Nations Peacekeeping Force in Cyprus	10.5	–	10.5	2.4
United Nations Mission for the Referendum in Western Sahara	(5.7)	0.5	(6.2)	0.0
United Nations Interim Administration Mission in Kosovo	(19.6)	–	(19.6)	0.0
Total	**1 079.4**	**255.0**	**824.4**	**1.5**

61. Currently, outstanding contributions to active peacekeeping operations amount to $1.7 billion. The Organization has run out of cash in two missions, requiring it to borrow from closed peacekeeping missions to sustain operations. The Organization

was also only able to reimburse approximately one half of the amount owed to troop- and police-contributing countries in the first quarter of 2019.

62. As indicated in figure IV, over the past year the United Nations has seen an increase in the number of peacekeeping missions that are frequently cash-constrained. That puts at risk not only the functioning of its operations but also the people who serve in difficult environments. It also means that the Organization could not reimburse troop- and police-contributing countries when required.

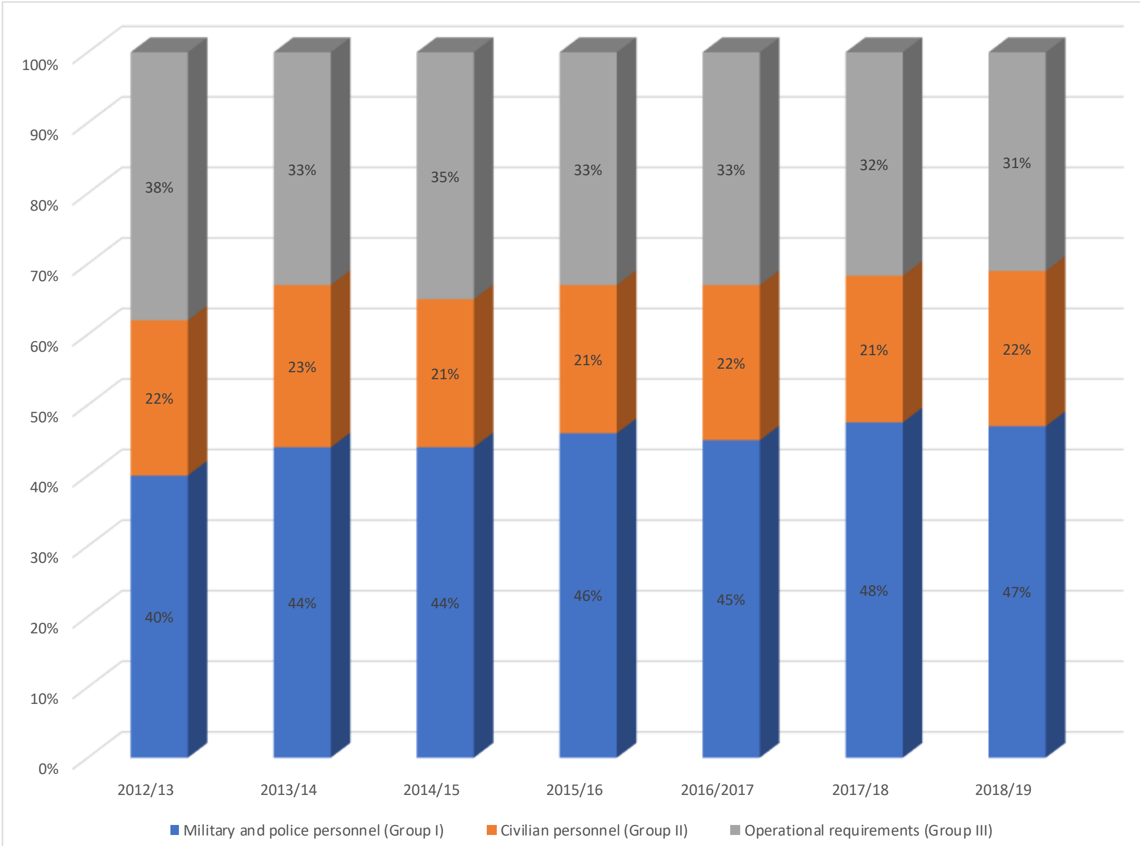
Figure IV
Cash to meet operational requirements in cash-constrained peacekeeping missions
(Number of months in reserve)



Abbreviations: MINUJUSTH, United Nations Mission for Justice Support in Haiti; MINURSO, United Nations Mission for the Referendum in Western Sahara; MONUSCO, United Nations Organization Stabilization Mission in the Democratic Republic of the Congo; UNAMID, African Union-United Nations Hybrid Operation in Darfur; UNFICYP, United Nations Peacekeeping Force in Cyprus; UNISFA, United Nations Interim Security Force for Abyei; UNMIK, United Nations Interim Administration Mission in Kosovo; UNMISS, United Nations Mission in South Sudan; UNSOS, United Nations Support Office in Somalia.

63. The costs related to military and police personnel comprise the largest share of every peacekeeping mission budget, as shown in figure V.

Figure V
Peacekeeping budget by major expenditure, 2012/13 to 2018/19
(Millions of United States dollars)



64. The costs include payments to troop- and police-contributing countries as reimbursements for personnel and for contingent-owned equipment (major equipment and self-sustainment). Cumulatively, those costs account for nearly 30 per cent of the overall peacekeeping budget or about $2.1 billion per year. The reimbursements are paid in accordance with rates established by the General Assembly.[3]

65. Troop- and police-contributing countries are usually paid on a quarterly basis in March, June, September and December, subject to the availability of cash in the specific peacekeeping mission. Payments for personnel are made up to the second month of the quarter (for example, payments in March include payments for December, January and February), while payments for contingent-owned equipment are made for the previous quarter on the basis of signed memorandums of understanding. Payments to all troop- and police-contributing countries are made on the same day with respect to each peacekeeping mission. Ad hoc payments may be released when the backlog of outstanding balances is high and cash becomes available.

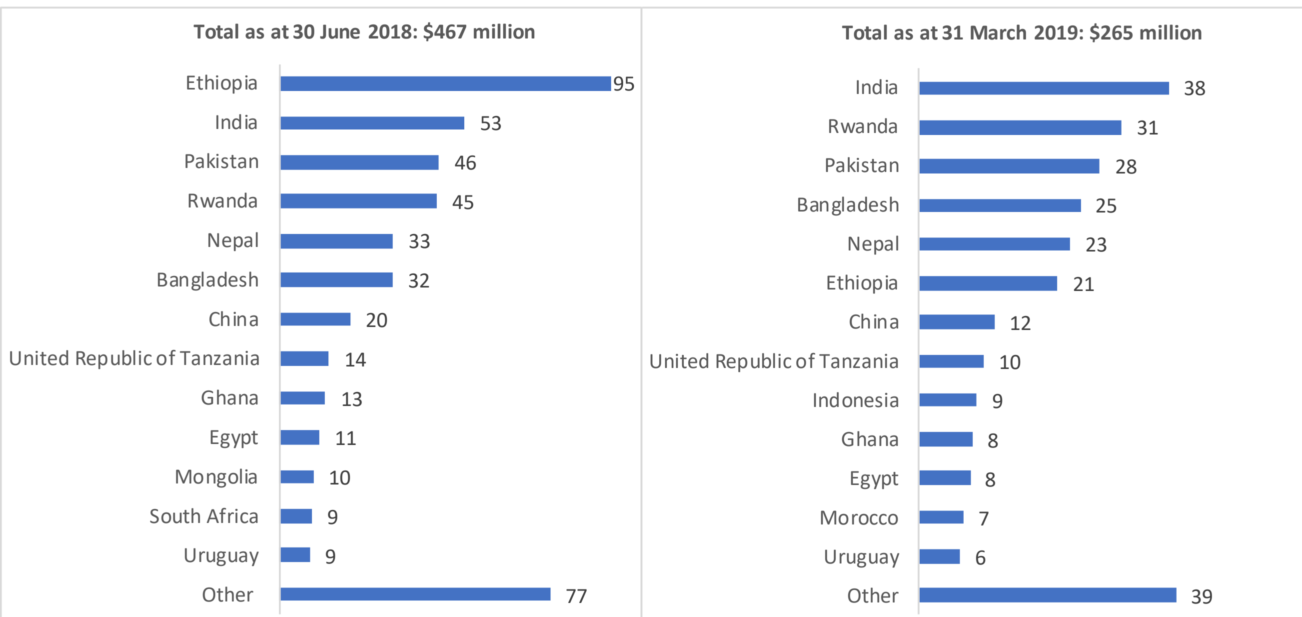
66. As mentioned in paragraph 56 above, when cash reserves are insufficient to cover operating costs, reimbursements to troop- and police-contributing countries tend to be delayed. The arrears payable to troop- and police-contributing countries as

[3] The current rates for contingent-owned equipment were approved by the General Assembly in its resolution 71/296, and the current standard rate of reimbursement of $1,428 per person per month was approved by the Assembly in its resolution 72/285.

of the end of June 2018, with respect to active peacekeeping operations, were $467 million. That dropped to approximately $255 million by the end of December 2018. In early March 2019, those outstanding dues were mostly settled following the receipt of contributions of nearly $2.05 billion in the first quarter of 2019, against assessment letters issued in January 2019 for $2.69 billion. However, $5.88 million is outstanding with respect to two missions, including payments due as far back as November 2017. The quarterly amounts due for payment in March 2019 are $336.9 million for uniformed personnel and $202.3 million for contingent-owned equipment and self-sustainment. Of the total $539.2 million, $274.5 million is expected to be paid by the end of March, leaving a balance of $264.7 million outstanding as of the end of March 2019.

67. The breakdown of the amounts payable to troop- and police-contributing countries as of the end of June 2018 and March 2019 with respect to active peacekeeping missions are shown in figure VI, and do not include $81.4 million payable to troop- and police-contributing countries with respect to 11 closed peacekeeping missions.

Figure VI
Amounts payable to troop- and police-contributing countries
(Millions of United States dollars)



68. The arrears could increase by June 2019, in the worst-case scenario, to $588 million. Which troop- and police-contributing countries will or will not be paid depends on the cash position of the individual missions to which they contribute and is not determined by their individual capacity to shoulder that unfair burden.

69. That has created a paradox. The United Nations is now effectively borrowing for prolonged periods from troop- and police-contributing countries. Many of them are low-income countries for which that imposes a significant financial burden. At the same time, the Organization is asking those same countries to do more to train their personnel and improve the quality of their equipment, all while operating in increasingly challenging environments. The United Nations, however, is not fulfilling its obligation towards them in a timely manner.

70. The delay in payments has three main effects, which have already been felt in peacekeeping operations:

(a) The short-term effect of not reimbursing the countries that have incurred the costs creates pressure on their own finances;

(b) In the long-term, the delay in payments creates an impediment to attracting countries that are able to deploy new units to peace operations, including those that can provide much-needed, highly specialized capabilities, including aviation, hospitals with medical and casualty evacuation, engineering, explosive ordnance disposal and de-mining. Delays are a particular disincentive for developing countries;

(c) It forces the United Nations to use cash from future budget periods to meet its financial obligations towards troop- and police-contributing countries left over from previous periods.

71. For example, at the end of the financial period in June 2018, unpaid obligations to troop- and police-contributing countries amounted to some $685 million. In some missions, the Organization has been unable to reimburse contributors since June, September, October or November 2017. That means that the Organization often uses contributions assessed and collected in future budget periods to meet unpaid obligations from prior budget periods, undermining its cash position. It also means that cash holdings are artificially propped up by shifting the burden to troop- and police-contributing countries.

72. As with the regular budget, even if the Organization were to contain costs to align with available cash, the resulting underexpenditures would have to be credited back to all Member States proportionally, according to the scale of assessments, including to those Member States that have not yet contributed in full. That occurs even if there are still outstanding obligations to troop- and police-contributing countries. That situation is unsustainable.

Table 11
Credits to Member States for unspent funds
(Millions of United States dollars)

	2013/14	*2014/15*	*2015/16*	*2016/17*	*2017/18*
Unencumbered balance	312.9	279.1	279.2	109.0	73.4
Cancellation of prior period obligations	96.1	157.1	218.1	130.6	86.8
Total	**409.0**	**436.2**	**497.3**	**239.6**	**160.2**

IV. Options to address regular budget and peacekeeping budget problems

73. I have taken significant steps to improve the effectiveness of the Organization. It will be some time before the United Nations sees the tangible results of some of those measures, but they are necessary and cannot be delayed. However, internal efforts can only take the Organization so far and must be supported by predictable income. The United Nations must consider, as a matter of urgency, effectiveness and its very credibility, what it can do to restore its financial health. I have set out proposals which I believe will help to address the current situation. However, my proposals do not diminish the obligation of Member States to fulfil their financial obligations to the Organization in full and on time. Ultimately, the financial health of the United Nations depends on the financial support of its Member States.

74. As the chief administrative officer of the United Nations, I commit to the effective and efficient use of its resources to fulfil its mandates. At the same time, the Organization must be able to operate within a cash-strapped environment. The Secretariat needs measures to ensure that mandates are not disrupted by unpredictable cash flows.

A. Regular budget measures

75. A set of comprehensive measures is required to overcome the current challenges facing the regular budget. Some of the measures focus on the liquidity mechanisms, while others address the structural weaknesses in budget methodology that compound liquidity problems and place considerable pressure on the Organization's ability to meet its operational expenses. The United Nations should not have to defer expenditures for planned activities because of liquidity problems caused by late payments or the non-payment of contributions or structural weaknesses built into the budget process. I offer the proposals explained below.

Increasing the level of the Working Capital Fund

76. In view of the critical cash situation experienced in recent years, I twice requested the General Assembly – in October 2017 and again in November 2018 – to increase the Working Capital Fund to $350 million. Unfortunately, those proposals were not endorsed by Member States. Many expressed concerns about subsidizing those who do not pay in full and on time. It is clear that Member States must meet their financial obligations to the Organization. However, it is also clear that some changes are essential in order to address some of the liquidity challenges and allow for the smooth operation of the Organization. The proposal to increase the level of the Working Capital Fund is aimed at addressing the current inadequacy of regular budget reserves. The current level does not provide sufficient coverage for an operation of that magnitude. Increasing the level will restore the coverage to a level provided in earlier budget periods and provide for smoother operations.

77. In 1946, the Working Capital Fund was established at $20 million, representing about 30 weeks of expenditure. In the decades since, the period of coverage provided by the Fund has decreased significantly. Currently, the Fund represents only two-and-a-half weeks of expenditure. The Fund was last increased to $150 million, effective 1 January 2007, representing about four weeks of expenditure, or 7.9 per cent of the budget for 2007 (see resolution 60/283, sect. IV, para. 4). For the current biennium, the level of the Fund corresponds to just three weeks, or 5.2 per cent, of regular budget expenditure. As a comparison, the guideline in the Secretariat for general trust funds establishes that 15 per cent of the expected annual expenditures of each project must be maintained in cash, which represents 7.8 weeks of operating reserves.

Table 12
Evolution of the Working Capital Fund
(Millions of United States dollars)

	1946	*1963*	*1982–1983*	*2006–2007*	*2016–2017*	*2018–2019*
Budget level	35	94	1 506	3 799	5 614	5 812
Annual portion	35	94	753	1 899	2 807	2 909
Working Capital Fund level	20	40	100	100	150	150
Working Capital Fund/ annual budget (percentage)	57.1	42.6	13.3	5.3	5.3	5.2
Coverage (weeks)	30	22	7	3	3	3

78. The Working Capital Fund must be set at a level that covers the time lag between appropriation (including commitment authority) and assessment, and between assessment and the receipt of contributions. It also must provide for advances necessary to finance unforeseen and extraordinary expenses pending appropriation action by the General Assembly.

79. Increasing the Working Capital Fund from $150 million to $350 million would improve liquidity with the aim of overcoming intra-year delays in contributions. It would bring the Fund's level to about six weeks of expenditure, closer to the coverage provided during the 1980s. The increase would also bring the Fund closer to the coverage required for trust funds held by the Secretariat. Furthermore, it would ensure that the Organization is able to implement budgeted programmes and activities within the budget period. In that regard, it is pertinent to note that in 1981, when the Organization faced similar financial challenges, the Advisory Committee on Administrative and Budgetary Questions stated in its report on the analysis of the financial situation of the United Nations (A/36/701) that it would be prudent to set the level of the Fund at approximately two months of current net expenditure, which at the time corresponded to $100 million. The General Assembly, in its resolution 36/116 B, made the recommended increase to the Fund and acknowledged that a partial or interim solution of parts of the problem could enhance the liquidity of the Organization and might facilitate the achievement of further progress towards a comprehensive settlement, desired by all Member States.

80. The current situation calls for urgent action to increase the Working Capital Fund as proposed, from 1 July 2019, using the current scale of assessment for the regular budget. That could provide the liquidity urgently needed to deliver the programme of work for 2018–2019 without disruption to mandated activities.

Replenishing the Special Account

81. Replenishing the Special Account would also provide additional liquidity to complement the Working Capital Fund until the financial situation becomes satisfactory again. In December 2013, the General Assembly authorized the transfer of $26.6 million from the Special Account to the General Fund to finance the final appropriation for the regular budget for the biennium 2012–2013 (see resolution 68/245 A). Subsequently, in April 2015, the Assembly authorized the transfer of $36.6 million from the Special Account to the General Fund to finance the final shortfall of the capital master plan project (see resolution 69/274 A). The transfer of those two amounts to the General Fund had a significant impact on the level available in the Special Account to complement the Working Capital Fund with respect to addressing regular budget liquidity problems. In November 2018, I requested the transfer of the unencumbered balance of $28.7 million for the biennium 2016–2017 to the Special Account to begin replenishing that account. The proposal was not agreed to. I propose again that unspent funds, both unencumbered balances and cancellation of prior-period obligations, be transferred each year to the Special Account until the Account is fully replenished by the amount of $63.2 million that was withdrawn. That would allow the Organization to use the funds in the Special Account for the purposes for which the Account was established.

Suspending the surrender of unspent appropriations

82. Given the increasing cash shortages being experienced, the Organization needs to suspend the credits to Member States for unspent appropriations until the cash situation normalizes. Once the financial situation improves and the Working Capital Fund and Special Account are large enough to overcome liquidity challenges, the measure could be limited to those Member States that have regular budget arrears, which would address the lack of incentives for the timely payment of contributions.

Only those Member States that have paid their individual contributions to the regular budget would be provided an offsetting credit to reduce their next regular budget assessment.

83. The Organization has been faced with similar challenges in the past, and where circumstances warranted the General Assembly has taken appropriate exceptional action. For example, by its resolution 36/116 B, the Assembly suspended the provisions of various financial regulations related to the return of surpluses arising at the end of the biennium 1980–1981 and the biennium 1982–1983. Given the current financial challenges faced by the Organization, the Assembly is requested to suspend the return of unspent appropriations until the financial situation has improved.

Other measures to encourage payment

84. In paragraph 16 of its resolution 72/266 A, the General Assembly recalled paragraph 70 of the report of the Advisory Committee on Administrative and Budgetary Questions (A/72/7/Add.24), and decided not to increase the level of the Working Capital Fund. In paragraph 70 of its report, the Advisory Committee recommended against the proposal to increase the level of the Working Capital Fund, and indicated that it trusted that the Secretary-General, as chief administrative officer of the Organization, would continue his efforts to encourage Member States to pay their assessed contributions to the Organization in full, on time and without conditions. Accordingly, I have continued my efforts to appeal to Member States to honour their financial obligations to the Organization within the limited means available to me.

85. In addition to the concrete steps set out above to address the liquidity situation of the regular budget, the General Assembly may wish to consider other measures that would introduce incentives to encourage the timely payment of assessed contributions. While the financial regulations provide for the payment of contributions by Member States in 30 days, there is no effective incentive for timely payment beyond the provisions of Article 19 of the Charter, which entail a loss of voting rights when accumulated arrears equal or exceed the equivalent of two years of assessments.

86. Reducing the threshold in Article 19 to the equivalent of one year of assessments instead of two could result in more timely payment from Member States, without prejudice to the current arrangements for exemptions from loss of vote for those Member States who are unable to meet their obligations due to conditions beyond their control. For example, with reference to the situation on 1 January 2019, minimum payments totalling $37 million were required from nine Member States (three of which were exempted from loss of vote). Using the equivalent of one year of assessments (instead of two), minimum payments of $299 million would have been required from 48 Member States. If all of those countries were to pay sufficient dues to avoid the loss of voting rights, the additional amount to be collected would have been approximately $262 million.

87. Additional measures could also involve the introduction of late payment fees for unpaid assessments beyond the 30 days set out in the financial regulations. For example, assessments unpaid for a certain period, such as 90 days or 180 days, could be subject to a late payment fee.

Addressing structural weaknesses in budget methodology

88. The Organization must also address the structural weaknesses in the budget methodology so that the Secretariat is able to manage resources to ensure mandate delivery and remain accountable for the delivery of results. That would involve: (a) a budget, approved and financed up front, based on realistic staff-costing parameters; (b) the ability to manage resources to deliver mandates within the authorized

budgetary ceiling, with underexpenditures transferred to augment the Special Account; and (c) the review of add-ons in a midyear assessment.

89. The first step to addressing those structural weaknesses would be a joint commitment by myself and Member States to provide the Organization with a budget and the resources which can deliver the related programme of work. I propose budget methodology changes in which I would continue to translate mandates into a programme plan, and calculate the costs of that plan to arrive at the post and non-post resources needed to implement planned activities. I would present a results-based budget based on the best estimate of the resources needed by the Organization to deliver the mandates. I would use realistic vacancy rates based on a well-defined methodology and include a high-level staffing table. The staff of the Organization is its most important resource, and even a small variation in parameters can significantly affect resource levels and the ability of the United Nations to implement the programme of work.

90. That realistic vacancy rate would be applied to a high-level staffing table, which would form the basis for budget proposals and approvals. The staffing table would be based on the post resources required for individual budget sections to implement their respective programme plans. Posts would continue to be presented at the subprogramme and section levels, and be grouped as follows:

- Under-Secretary-General
- Assistant Secretary-General
- Director (D-2 and D-1)
- Professional (P-5, P-4, P-3, P-2)
- General Service and related categories

As with the vacancy rate, the staffing table would be used for budgetary calculations. That would enable budget proposals to be focused on the high-level key requirements needed to deliver the proposed programme of work, and would also allow staffing resources to be managed during budget implementation to meet mandates and respond to liquidity pressures in a manner that would minimize impact on programme delivery. I would propose that the General Assembly approve resources without changing the vacancy rate by either increasing or reducing the level of post or non-post resources, instead of through introducing artificial vacancy rates. That would ensure that the vacancy rate remains a tool for budgetary calculations only.

91. Following the approval of the budget level, including the level of post and non-post resources, I would manage the resources, including staffing, within the budgetary ceiling and with full accountability. The United Nations has already taken an important step in transitioning to an annual budget. With an approved budget which can be assessed at the start of the period, I propose that budget implementation be based on the overall budget ceiling proposed by the Secretary-General and the high-level staffing table. In order to remain within the budgetary ceiling, I would be granted the authority to transfer resources between posts and non-post resources within each budget section as the need arises to implement mandates. Any underexpenditures at the end of the budget period would be transferred temporarily to the Special Account until the financial situation became satisfactory. I also propose that those arrangements be subject to review in the context of the experience of the implementation of the annual budget for 2021.

92. Finally, all the add-ons related to mandates during budget execution would be reviewed in terms of their ability to be absorbed through the reallocation of resources. Any additional needs would be assessed periodically on the basis of liquidity forecasts without waiting for the next annual cycle. It is proposed that regular budget

assessments be issued every semester, on the basis of the decisions taken at the end of the main session and up to the end of the second resumed session of the General Assembly. That would take into account all approved revised estimates, programme budget implications and unforeseen and extraordinary expenses certified at that time. Under the proposed arrangements, regular budget assessments would be issued every semester (at the start of each calendar year for the entire year, with a second optional supplementary assessment at the midpoint of the year).

B. Peacekeeping operations measures

93. With respect to improving the financial situation of peacekeeping operations, I offer four proposals, as explained below.

94. First, the cash balances of all active peacekeeping operations should be managed as a pool, while maintaining the balances in separate funds for each mission, by allowing cash loans across active peacekeeping operations. That would alleviate the liquidity problems of some of the peacekeeping operations and improve the timely settlement of payments to troop-contributing countries. For example, in December 2018, that arrangement could have resulted in the settlement of nearly $200 million of the $255 million that was not paid as a result of liquidity problems in specific peacekeeping missions. The management of cash in a pool would not allow the Secretariat to spend beyond the level approved by the General Assembly for each mission. Instead, it would allow available cash to be managed in the most efficient manner. The risk that management of cash in a pool would affect the ability of missions in a stronger cash situation to implement their respective mandates is mitigated by the fact that the aggregate cash balance of active peacekeeping operations tends to be more than $1 billion most of the time.

95. The current inability of the Secretariat to manage the cash balances of all peacekeeping operations stems from both the decision of the General Assembly to maintain separate accounts for each mission and the fact that the Assembly specifies, in each peacekeeping finance resolution, that no active peacekeeping mission should be financed by borrowing funds from other active peacekeeping missions. To facilitate pooled cash management, the Assembly would need to remove the paragraph prohibiting the borrowing of funds in its future financing resolutions, and also explicitly authorize the Secretary-General, in future, to manage the cash balances in the accounts of active peacekeeping missions as a single pool.

96. Second, assessment letters should be issued for the full budget period approved by the General Assembly and not only until the next mandate renewal. Currently, the Assembly, in its peacekeeping financing resolutions, apportions among Member States a prorated share of the appropriation for the period from 1 July until the end of the current mandate for the mission in question, and then apportions the remainder of the appropriation for the remainder of the financial period "subject to a decision of the Security Council to extend the mandate" of the mission. To allow the Secretariat to issue assessment letters for the full budget period, the Assembly should, in future peacekeeping financing resolutions, decide to apportion among Member States the full amount of the appropriation for the full financial period, with the exception of financial periods during which there is a change in the scale of assessments.

97. Issuing assessment letters for the full year would facilitate planning by Member States and ensure greater predictability in payment patterns, thus alleviating liquidity problems. The existing practice is intended to ensure that Member States are not assessed for missions that may not be authorized for the entirety of the financial period. However, in only a handful of instances in the past decade has there been uncertainty at the beginning of the financial period about whether a mission mandate

would be renewed. For missions expected to close during a financial period, the anticipated date of termination of the mandate and planning assumptions related to drawdown and liquidation would be reflected in the proposed budget. In cases in which mandates change significantly as part of the mandate renewal, the Organization would continue to submit revised budgets.

98. At the same time, that proposal would have a number of advantages, as it would:

(a) Better facilitate financial planning by Member States by introducing greater stability and transparency in the timing and amount of peacekeeping assessments, and allow Member States to meet their obligations in full for peacekeeping operations earlier in the financial period;

(b) Improve cash availability, as assessment of the amounts due for the full approved budget period (subject to decisions on the applicable scale of assessments), would eliminate the delay in receipt of contributions introduced by the need to assess Member States after mandate renewal, which exacerbates the issue of low cash balances in many missions around the time of mandate renewal;

(c) Reduce the administrative burden for both Member States and the Organization through a significant reduction in the issuance, receipt and processing of assessment letters, as illustrated in table 13;

(d) Lower the transaction costs for Member States by reducing wire transfer fees paid by Member States for the contribution of each assessment for each mission;

(e) Offer Member States the flexibility to pay the entire peacekeeping assessment as a single transaction and either instruct the Secretariat to apply the payments to individual mission accounts as directed, or allow the Secretariat the option to distribute the assessment among missions as needed and report the balances to each Member State.

Table 13
Number of assessments for peacekeeping operations by month, 1 July 2015–30 June 2018

Actual number of assessments issued

Fiscal year	*Jul.*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May.*	*Jun.*	*Total*
2015/16	15	2	–	2	–	1	14	1	–	1	3	1	40
2016/17	15	3	2	–	2	–	4	1	–	2	2	1	32
2017/18	13	1	2	–	2	–	4	1	1	2	2	1	29
Total	**43**	**6**	**4**	**2**	**4**	**1**	**22**	**3**	**1**	**5**	**7**	**3**	**101**

Number of assessments issued based on the proposal of the Secretary-General

Fiscal year	*Jul.*	*Aug.*	*Sept.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May.*	*Jun.*	*Total*
2015/16	15	–	–	–	–	–	15	–	–	–	–	–	30
2016/17	15	–	–	–	–	–	–	–	–	–	–	–	15
2017/18	13	–	–	–	–	–	–	–	–	–	–	–	13
Total	**43**	**–**	**–**	**–**	**–**	**–**	**15**	**–**	**–**	**–**	**–**	**–**	**58**

99. Third, a Peacekeeping Working Capital Fund should be created to provide liquidity for active peacekeeping operations to complement the Peacekeeping Reserve

Fund, which will continue to be used for the start-up or expansion of a mission. The level of the Peacekeeping Reserve Fund has remained unchanged since its establishment in 1992 and is insufficient for use as both a start-up and a liquidity mechanism for active peacekeeping operations. Creating a separate working capital fund for active missions would also ring-fence funding for specific requirements faced during start-up or expansion phases from normal operational requirements usually financed from a working capital fund.

100. A Peacekeeping Working Capital Fund of $250 million could provide active peacekeeping operations with a liquidity reserve. The establishment of the Fund could be financed through one or more ad hoc assessments of Member States, the transfer of the balance of unspent funds in the special accounts of peacekeeping missions (subject to the temporary measures proposed in paragraph 103 below) or a combination of both. Any cash drawn from the Fund to meet immediate requirements in an active peacekeeping mission would be replenished from the mission account once sufficient contributions have been received to provide the mission with an adequate operating reserve. Between the Peacekeeping Working Capital Fund of $250 million and the pooling of their cash balances (some $1 billion), active peacekeeping operations would have approximately two months of operating costs available, including payments to troop- and police-contributing countries, based on an annual budget of about $7 billion.

101. Fourth, as is the case for the regular budget, the General Assembly should temporarily suspend the obligation of the Secretariat to return the unexpended portions of peacekeeping budgets[4] in order to allow the Organization to improve its liquidity situation by assessing Member States in full for the upcoming financial period and meet its obligations to troop- and police-contributing countries in a more timely manner.

V. Conclusion

102. The support of Member States for my reforms to improve the Organization heralds a bright future for the United Nations. However, adequate financing is essential. I realize that this is a highly political issue and that there are different levels of responsibility for the difficult situation the United Nations faces. However, Member States need to unite and find common ground. The Organization's programme implementation cannot be dictated by payment patterns and artificial resource levels. That will only compromise mandate implementation. The United Nations must instead be able to use the cash approved by Member States for the activities planned and agreed to for that budget period. That will enable it to focus on results and deliver on mandates. I count on the full support of Member States for common-sense solutions that will allow the United Nations to get out of the present unsustainable situation.

103. **The General Assembly is, therefore, requested:**

(a) **To increase the Working Capital Fund to $350 million effective 1 July 2019;**

(b) **To replenish the Special Account up to an amount of $63.2 million;**

(c) **To temporarily suspend the surrender of appropriations for the regular budget until the financial situation has improved;**

[4] See financial regulations 5.3, 5.4 and 5.5.

(d) **To consider the implementation of other incentives for early payment of contributions, including the lowering of the threshold for the application of Article 19 of the Charter of the United Nations;**

(e) **To approve a revised regular budget methodology based on:**

(i) **The approval of a budget level based on realistic costing parameters, including realistic vacancy rates and a high-level staffing table;**

(ii) **Budget implementation based on the management of resources within the overall approved budgetary ceiling, with authorization to transfer resources between posts and non-post resources within budget sections, as the need arises;**

(iii) **The approval of a revised framework for regular budget assessments consisting of an initial assessment at the start of the calendar year, with an optional midyear assessment of all approved add-ons for revised estimates and programme budget implications and unforeseen and extraordinary expenses;**

(f) **To approve the management of the cash balances of all active peacekeeping operations as a pool while maintaining the balances in separate funds for each mission;**

(g) **To approve the issuance of assessment letters for peacekeeping operations for the full budget period approved by the Assembly, subject to the availability of rates of assessments for applicable years;**

(h) **To create a Peacekeeping Working Capital Fund of $250 million and authorize its use to address the liquidity challenges of active peacekeeping operations;**

(i) **To temporarily suspend the return of unspent funds for peacekeeping operations.**

Annex I

Amounts outstanding for regular budget operations as at 31 December 2017 and 31 December 2018

Member State	*Outstanding contributions as at 31 December 2017*	*Outstanding contributions as at 31 December 2018*
Afghanistan	–	–
Albania	–[a]	–
Algeria	–[b]	–[b]
Andorra	–	–
Angola	–[b]	238 028
Antigua and Barbuda	–	–
Argentina	21 808 824	26 054 929
Armenia	–[b]	–[b]
Australia	–[b]	–[b]
Austria	–[b]	–[b]
Azerbaijan	–[b]	–[b]
Bahamas	–[b]	–[b]
Bahrain	–[a]	–[b]
Bangladesh	216 364	120 000
Barbados	–	–
Belarus	–	–
Belgium	–[a]	–[b]
Belize	5 686	24 307
Benin	–[b]	–[b]
Bhutan	–[a]	–[a]
Bolivia (Plurinational State of)	–	–
Bosnia and Herzegovina	–[a]	–[a]
Botswana	–	–
Brazil	41 119 743	60 861 682
Brunei Darussalam	–	–[b]
Bulgaria	–[a]	–[b]
Burkina Faso	–	2 128
Burundi	–	–
Cabo Verde	–[a]	–
Cambodia	–	–
Cameroon	–	–
Canada	–[b]	–[b]
Central African Republic	25 223	–
Chad	69 972	–
Chile	–	–
China	–[a]	–[b]
Colombia	4 624 714	6 672 445
Comoros	676 403	668 908
Congo	151 338	297 181

Member State	*Outstanding contributions as at 31 December 2017*	*Outstanding contributions as at 31 December 2018*
Costa Rica	–	–
Côte d'Ivoire	–	–
Croatia	–[a]	–[a]
Cuba	–	–[a]
Cyprus	–	–[b]
Czechia	–[a]	–
Democratic People's Republic of Korea	–[a]	121 535
Democratic Republic of the Congo	–	–
Denmark	–[b]	–[b]
Djibouti	–[b]	24 307
Dominica	–	4 550
Dominican Republic	–[b]	–[b]
Ecuador	–[a]	–
Egypt	3 833 881	–
El Salvador	–	–
Equatorial Guinea	772 901	–[a]
Eritrea	–	–
Estonia	–[b]	–[b]
Ethiopia	–	–
Fiji	174 500	–[a]
Finland	–[b]	–[b]
France	–	–[a]
Gabon	143 036	556 256
Gambia	25 223	49 530
Georgia	–[b]	–[b]
Germany	–	–[b]
Ghana	–	–
Greece	–	–[a]
Grenada	25 223	–
Guatemala	–	–
Guinea	–[b]	–
Guinea-Bissau	–	–
Guyana	–[a]	–
Haiti	–	72 921
Honduras	109 473	–
Hungary	–[b]	–[b]
Iceland	–[a]	–[b]
India	–	–[b]
Indonesia	–	–
Iran (Islamic Republic of)	18 794 783	15 860 159
Iraq	–	–
Ireland	–[b]	–[b]
Israel	10 845 846	10 845 846

Member State	*Outstanding contributions as at 31 December 2017*	*Outstanding contributions as at 31 December 2018*
Italy	–	–
Jamaica	–	–
Japan	–	–
Jordan	–	–
Kazakhstan	–	–
Kenya	–	437 527
Kiribati	25 223	–
Kuwait	–[b]	–[b]
Kyrgyzstan	–[b]	–[b]
Lao People’s Democratic Republic	–	–
Latvia	–[b]	–[b]
Lebanon	–	–
Lesotho	25 223	49 530
Liberia	–[b]	–[b]
Libya	5 877 121	2 320 663
Liechtenstein	–[b]	–[b]
Lithuania	–	–
Luxembourg	–[b]	–[b]
Madagascar	1 477	1 403
Malawi	–	–
Malaysia	3 011 487	–
Maldives	50 446	–
Mali	–[b]	–
Malta	–[a]	–[a]
Marshall Islands	–[b]	–[b]
Mauritania	–	–
Mauritius	–[a]	–[a]
Mexico	36 194 858	–
Micronesia (Federated States of)	–	–[a]
Monaco	–[a]	–[b]
Mongolia	5 000	–
Montenegro	–	–[a]
Morocco	–	–[b]
Mozambique	100 891	48 614
Myanmar	–[a]	–
Namibia	–	–[a]
Nauru	26 000	–
Nepal	–[a]	–[b]
Netherlands	–[b]	–[a]
New Zealand	–[b]	–[b]
Nicaragua	–[a]	–[a]
Niger	50 219	2 480
Nigeria	998 400	–

Member State	*Outstanding contributions as at 31 December 2017*	*Outstanding contributions as at 31 December 2018*
Norway	–[b]	–[b]
Oman	–	–
Pakistan	4 731	–
Palau	47 291	71 598
Panama	222 578	238 448
Papua New Guinea	–[a]	97 228
Paraguay	15 307	–
Peru	2 118 095	2 145 837
Philippines	–	–[b]
Poland	–	–[b]
Portugal	–	–
Qatar	–	–[b]
Republic of Korea	–[a]	–[a]
Republic of Moldova	–	–
Romania	–[a]	–[a]
Russian Federation	–[a]	–[b]
Rwanda	–	–[b]
Saint Kitts and Nevis	–	24 307
Saint Lucia	–	–[a]
Saint Vincent and the Grenadines	9 734	–
Samoa	–[a]	–[b]
San Marino	–[a]	–
Sao Tome and Principe	620 035	594 342
Saudi Arabia	205 569	–
Senegal	–[b]	97 713
Serbia	–	–[a]
Seychelles	–	24 307
Sierra Leone	25 223	–
Singapore	–[b]	–[b]
Slovakia	–	–[a]
Slovenia	–[a]	–[a]
Solomon Islands	–[a]	24 307
Somalia	1 169 631	1 193 938
South Africa	–[a]	–[a]
South Sudan	–[b]	–[b]
Spain	–[a]	–
Sri Lanka	–[a]	–
Sudan	–	–
Suriname	411 570	209 091
Swaziland[c]	–	–
Sweden	–[b]	–[b]
Switzerland	–[b]	–[b]
Syrian Arab Republic	–	–

Member State	*Outstanding contributions as at 31 December 2017*	*Outstanding contributions as at 31 December 2018*
Tajikistan	33 000	–
Thailand	–[a]	–[a]
The former Yugoslav Republic of Macedonia	–	–
Timor-Leste	75 669	148 590
Togo	25 223	1 519
Tonga	–	24 307
Trinidad and Tobago	–	–
Tunisia	–[a]	–
Turkey	–	–[a]
Turkmenistan	–[a]	–[b]
Tuvalu	–	–
Uganda	–	218 764
Ukraine	–[b]	–[b]
United Arab Emirates	–[a]	–[a]
United Kingdom of Great Britain and Northern Ireland	–	–
United Republic of Tanzania	38 500	32 578
United States of America	346 988 163	381 117 720
Uruguay	–	–
Uzbekistan	–[a]	–
Vanuatu	–[a]	–
Venezuela (Bolivarian Republic of)	28 663 357	17 053 924
Viet Nam	–[a]	–
Yemen	141 048	–
Zambia	–	–
Zimbabwe	–	–
Total	**530 604 201**	**528 653 445**

[a] Paid in full within first quarter.
[b] Paid in full within 30 days.
[c] Name changed to Eswatini as from 19 April 2018.

Annex II

Amounts outstanding for peacekeeping operations as at 30 June 2017 and 30 June 2018

Member State	*Outstanding contributions as at 30 June 2017*	*Outstanding contributions as at 30 June 2018*
Afghanistan	45 365	41 602
Albania	75 814	84 157
Algeria	325 516	24 571
Andorra	23 416	22 754
Angola	3 901	29 136
Antigua and Barbuda	70 278	80 643
Argentina	27 161 959	22 867 560
Armenia	3 980	4 248
Australia	–[a]	–[a]
Austria	2 758 893	244 053
Azerbaijan	–[a]	42 691
Bahamas	2 692 018	2 320 797
Bahrain	158 843	13 797
Bangladesh	54 341	24 388
Barbados	74 465	81 688
Belarus	38 124 711	36 937 810
Belgium	262 441	299 982
Belize	71 384	2 910
Benin	1 169	20 801
Bhutan	–[a]	–[a]
Bolivia (Plurinational State of)	774 089	937 780
Bosnia and Herzegovina	10 148	656
Botswana	243 158	58 532
Brazil	190 834 300	242 984 373
Brunei Darussalam	1 950	–[a]
Bulgaria	6 763	–[a]
Burkina Faso	53 115	80 489
Burundi	27 933	7 381
Cabo Verde	33 287	42 157
Cambodia	46 197	26 973
Cameroon	147 532	94 497
Canada	–[a]	990 110
Central African Republic	55 878	62 135
Chad	6 927	34 092
Chile	5 934 076	1 496 934
China	4 046 612	7 810 467
Colombia	251 336	3 787 011
Comoros	242 678	249 499
Congo	49 663	130 170

Member State	*Outstanding contributions as at 30 June 2017*	*Outstanding contributions as at 30 June 2018*
Costa Rica	29 740	–[a]
Côte d'Ivoire	7 025	1 375
Croatia	682 702	22 665
Cuba	50 736	40 481
Cyprus	–[a]	43 660
Czechia	1 460 969	3 439 008
Democratic People's Republic of Korea	5 164	69 465
Democratic Republic of the Congo	103 919	16 403
Denmark	2 587 046	–[a]
Djibouti	1 013	7 678
Dominica	90 803	69 035
Dominican Republic	5 385 831	5 441 015
Ecuador	1 576 235	2 416 754
Egypt	1 039 799	2 622 189
El Salvador	272 777	336 989
Equatorial Guinea	130 953	6 664
Eritrea	12 547	19 368
Estonia	19 038	29 000
Ethiopia	18 363	64 473
Fiji	54 156	610
Finland	228 461	–[a]
France	19 871 541	16 851 764
Gabon	989 911	1 221 806
Gambia	6 877	13 667
Georgia	637	–[a]
Germany	3 200 969	2 165 633
Ghana	210 514	426 644
Greece	20 673 943	18 714 741
Grenada	93 423	92 584
Guatemala	456 575	667 549
Guinea	60 823	31 444
Guinea-Bissau	147 566	154 387
Guyana	2 791	34 756
Haiti	18 681	38 501
Honduras	463 389	421 930
Hungary	19 990	16 977
Iceland	6 823	–[a]
India	575 262	112 488
Indonesia	4 533 419	2 950 474
Iran (Islamic Republic of)	13 231 195	15 608 405
Iraq	1 239 291	2 277 868
Ireland	–[a]	–[a]
Israel	4 346 954	177 007

Member State	*Outstanding contributions as at 30 June 2017*	*Outstanding contributions as at 30 June 2018*
Italy	14 627 406	–[a]
Jamaica	930 314	783 708
Japan	3 840 864	36 707 197
Jordan	30 837	53 770
Kazakhstan	149 085	156 947
Kenya	14 051	216 578
Kiribati	16 926	23 685
Kuwait	1 028 855	267 670
Kyrgyzstan	157	325
Lao People’s Democratic Republic	830	20 298
Latvia	–[a]	–[a]
Lebanon	1 359 410	1 986 908
Lesotho	6 837	13 657
Liberia	392	102
Libya	11 898 167	14 455 880
Liechtenstein	–[a]	–[a]
Lithuania	1 896 013	441 852
Luxembourg	1 876	16 142
Madagascar	23 081	11 761
Malawi	13 738	5 880
Malaysia	7 980 946	330 596
Maldives	40 291	27 733
Mali	1 169	11 737
Malta	441 092	78 095
Marshall Islands	112 099	2 910
Mauritania	14 903	13 238
Mauritius	55 228	33 945
Mexico	9 871 445	28 268 382
Micronesia (Federated States of)	1 385	5 483
Monaco	5 011	7 631
Mongolia	7 296	11 870
Montenegro	387	13 924
Morocco	4 007 250	4 479 572
Mozambique	51 446	16 895
Myanmar	769	13 046
Namibia	25 978	–[a]
Nauru	–[a]	–[a]
Nepal	178 320	219 479
Netherlands	–[a]	–[a]
New Zealand	94 204	–[a]
Nicaragua	3 191	3 032
Niger	798	13 890
Nigeria	5 394 741	8 245 733

Member State	*Outstanding contributions as at 30 June 2017*	*Outstanding contributions as at 30 June 2018*
Norway	425 360	–[a]
Oman	6 355 557	4 117 630
Pakistan	206 292	133 237
Palau	5 349	10 907
Panama	661 796	539 534
Papua New Guinea	3 122	55 469
Paraguay	562 801	690 160
Peru	2 740 916	4 596 112
Philippines	257 201	819 051
Poland	2 550 550	–[a]
Portugal	7 575 991	132 874
Qatar	124 664	–[a]
Republic of Korea	809 043	–[a]
Republic of Moldova	13 082	7 977
Romania	236 018	802 641
Russian Federation	19 144 086	3 044 908
Rwanda	16 588	26 946
Saint Kitts and Nevis	314	4 245
Saint Lucia	48 429	11 311
Saint Vincent and the Grenadines	21 862	24 656
Samoa	–[a]	135
San Marino	30 450	40 455
Sao Tome and Principe	230 333	237 152
Saudi Arabia	17 927 839	4 337 650
Senegal	–[a]	7 272
Serbia	160 442	117 398
Seychelles	774	13 386
Sierra Leone	1 761	8 462
Singapore	–[a]	–[a]
Slovakia	–[a]	–[a]
Slovenia	61 830	85 290
Solomon Islands	392	3 792
Somalia	236 250	243 071
South Africa	284 118	1 140 849
South Sudan	32 574	53 039
Spain	9 534 353	2 480 506
Sri Lanka	62 403	146 096
Sudan	81 088	148 971
Suriname	179 485	253 085
Swaziland[b]	14 507	24 902
Sweden	478 968	–[a]
Switzerland	–[a]	–[a]
Syrian Arab Republic	2 777 371	2 250 439

Member State	*Outstanding contributions as at 30 June 2017*	*Outstanding contributions as at 30 June 2018*
Tajikistan	131 408	134 911
Thailand	1 235 850	19 727
The former Yugoslav Republic of Macedonia	246 932	39 077
Timor-Leste	24 846	7 261
Togo	1 373	6 879
Tonga	16 150	25 421
Trinidad and Tobago	2 256 567	3 184 162
Tunisia	31 788	122 678
Turkey	1 678 043	747 951
Turkmenistan	253 414	388 890
Tuvalu	1 013	77
Uganda	73 685	134 794
Ukraine	116 829 035	108 076 087
United Arab Emirates	41 663 800	38 737 925
United Kingdom of Great Britain and Northern Ireland	3 963 421	4 033 531
United Republic of Tanzania	10 108	29 531
United States of America	626 927 443	1 252 650 906
Uruguay	943 627	1 377 874
Uzbekistan	1 405 775	1 719 519
Vanuatu	20 886	–[a]
Venezuela (Bolivarian Republic of)	42 162 706	49 996 910
Viet Nam	3 761 729	4 297 043
Yemen	718 655	786 859
Zambia	33 175	45 671
Zimbabwe	163 545	218 111
Total	**1 341 117 709**	**1 988 913 253**

[a] Paid in full as at 30 June.
[b] Name changed to Eswatini as from 19 April 2018.