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Financing of the United Nations Stabilization Mission in Haiti

Final performance report of the United Nations Stabilization Mission in Haiti

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the final performance report of the Secretary-General on the United Nations Stabilization Mission in Haiti (MINUSTAH) ([A/75/604](#)). During its consideration of the report, the Advisory Committee received additional information and clarification from representatives of the Secretary-General, concluding with written responses dated 31 March 2021.

2. The mandate of MINUSTAH was established by the Security Council in its resolution [1542 \(2004\)](#). In its resolution [2350 \(2017\)](#), the Council extended the mandate of MINUSTAH for a final period of six months until 15 October 2017, and also established the mandate of the United Nations Mission for Justice Support in Haiti (MINUJUSTH) ([A/75/604](#), para. 1).

3. The Advisory Committee recalls that, following the proposal of the Secretary-General, the General Assembly decided, in its resolution [72/260 A](#), to continue to use the special account established for MINUSTAH. The report indicates that the continued use by MINUJUSTH of the special account approved for MINUSTAH required that the cash balances for both missions were commingled and utilized for the settlement of outstanding liabilities for both missions and that, therefore, information on cumulative revenue and expenditure from inception and fund balance, as well as on cash assets, liabilities and fund balance provided in tables 1 and 2 of the report, respectively, reflects the combined financial information for MINUSTAH and MINUJUSTH ([A/75/604](#), paras. 3–4). The Committee also recalls that the Assembly took note of the report of the Secretary-General on the final disposition of the assets of MINUSTAH in its resolution [74/287](#). The report of the Secretary-General on the final disposition of assets for MINUJUSTH will be submitted for the consideration of the Assembly during the seventy-sixth session. The Committee's comments and



observations on the budget performance report of MINUJUSTH for the period from 1 July 2019 to 30 June 2020 are contained in its report [A/75/848](#).

II. Financial performance

4. Table 1 of the report shows that cumulative income to MINUSTAH and MINUJUSTH since the inception of MINUSTAH on 1 June 2004 amounted to \$8,133,153,000, derived from assessed contributions (\$8,077,718,000), investment revenue (\$31,209,000) and other revenue (\$24,226,000). The total amount of assessed contributions was fully appropriated by the General Assembly for the operation and maintenance of MINUSTAH and MINUJUSTH ([A/75/604](#), para. 7).

5. Cumulative expenditure for the period from 1 June 2004 to 30 June 2020 amounted to \$7,776,863,000, which was offset in part by the amount of \$163,569,000 relating to the cancellation of prior-period obligations, resulting in a net cumulative expenditure of \$7,613,294,000. The unencumbered balance amounted to \$519,859,000. Credits returned to Member States in respect of the missions since inception totalled \$504,738,000. As at 30 June 2020, the fund balance amounted to \$15,121,000. Net assets as at that date stood at \$13,760,000, equivalent to the balance of the fund after allowing for provisions against uncollected assessments and other accounts receivable ([A/75/604](#), para. 8).

6. Table 2 of the report shows information on the assets, liabilities and fund balance for MINUSTAH and MINUJUSTH as at 30 June 2020. The Advisory Committee was provided, upon enquiry, with table 1, which shows information as at 28 February and 31 March 2021. Upon enquiry, the Committee was informed that provisions against uncollected assessments and other accounts receivable in the amount of \$1,361,000 comprise allowance for doubtful assessed contributions receivable in the amount of \$823,000 and allowance for doubtful other receivables and advances in the amount of \$538,000.

Table 1
Assets, liabilities and fund balance as at 28 February 2021 and 31 March 2021

(Thousands of United States dollars)

| Description | Amount | |
|--|---------------------|--------------------------|
| | 28 February 2021 | 31 March 2021 |
| Cash assets ^a | 6 327 | 6 239 |
| Less: liabilities ^b | 3 568 | 3 578 |
| Cash surplus | 2 759 | 2 661^c |
| Assessments, other receivables and advances | 27 111 | 26 981 |
| Less: provisions for credit returns | 19 777 | 19 777 |
| Fund balance | 10 093 | 9 865 |
| Provisions against uncollected assessments and other accounts receivable | 1 244 | 1 244 |
| Net assets (according to the financial statements) | 8 849 | 8 621 |

^a Comprising cash, cash equivalents and investments.

^b Excluding provisions for credit returns.

^c Rounded from \$2,660,500.

7. The Advisory Committee recalls the repeated calls by the General Assembly for all Member States to pay their assessed contributions on time, in full and without condition.

8. Upon enquiry, the Advisory Committee was provided with table 2, which shows an analysis of the credits due to Member States in the amount of \$19,777,200.

Table 2

Analysis of credits due to Member States for the 2018/19 and 2019/20 periods

(Thousands of United States dollars)

| <i>Description</i> | <i>Amount</i> |
|---|-----------------|
| Credits due to Member States | |
| (a) For the year ended 30 June 2019 (2018/19 period) | |
| (i) Unencumbered balance | 189.3 |
| (ii) Other revenue | |
| Interest revenue | 336.0 |
| Other/miscellaneous revenue | 493.3 |
| Cancellation of prior-period obligations | 2 126.0 |
| Subtotal, other revenue | 2 955.3 |
| Subtotal, credits due to Member States for the 2018/19 period (i) + (ii) | 3 144.6 |
| (b) For the year ended 30 June 2020 (2019/20 period) | |
| (i) Unencumbered balance | 10 428.5 |
| (ii) Other revenue | |
| Interest revenue | 117.1 |
| Other/miscellaneous revenue | 2 967.3 |
| Cancellation of prior-period obligations | 3 119.7 |
| Subtotal, other revenue | 6 204.1 |
| Subtotal credits due to Member States for the 2019/20 period (i) + (ii) | 16 632.6 |
| Total credits due to Member States (a) + (b) | 19 777.2 |

9. Upon enquiry, the Advisory Committee was informed that there are two pending allegations of sexual exploitation and abuse involving one military contingent personnel and one formed police personnel. Payments to troop- and police-contributing countries could not be suspended, as the allegations were received after the repatriation of the uniformed personnel involved. The investigations into the allegations in both cases are ongoing. However, should the allegations be substantiated, the Controller would have the ability to withhold payments to the concerned Member State, as long as the Member State has military or police personnel deployed in any peacekeeping mission.

10. The Advisory Committee was also informed, upon enquiry, that as at 28 February 2021 there are three disability claims pending settlement in the total amount of \$66,220 submitted by two troop- and police-contributing countries for personnel. The settlement of the claims is pending receipt of the required documentation from the respective Member States. Such claims could continue to be submitted after the closure of the Mission.

III. Other matters

11. In relation to downsizing and liquidation, the Advisory Committee was informed, upon enquiry, that best practices and lessons learned from recent entity closures, along with established procedures and guidance for liquidating missions, are taken into consideration in preparing and planning for field entity closure. The guide for senior leadership on field entity closure contains lessons learned and best practices from various liquidation activities, including experiences learned in the closure of MINUSTAH.

12. The Advisory Committee was also informed, upon enquiry, as to the mitigation measures taken in relation to loss or theft, drawing upon lessons learned from prior field entity closures. The Committee was informed that loss or theft occurring during the final operation stage is subject to the same write-off procedures for losses in accordance with financial rule 106.7 of the Financial Regulations and Rules of the United Nations and the provisions of the delegation of authority for budget and finance, which indicate that an investigation is required to establish the circumstances surrounding the loss or damage and to assign the responsibility to an official or officials of the United Nations. More information on lost or stolen assets, particularly high-value assets, will be contained in the next report on the final disposition of assets for MINUJUSTH, scheduled to be submitted to the General Assembly at the second part of its resumed seventy-sixth session.

13. With respect to asset gifting, the Advisory Committee was informed, upon enquiry, that MINUSTAH benefited from lessons learned from other mission closures, such as that of the United Nations Operation in Côte d'Ivoire, and established a working group on gifting led by the Special Representative of the Secretary-General to take into account the financial, legal, ethical, political and/or reputational risks to the Mission and the Organization as a whole. The gifting exercise was found by the Mission to be an effective process to facilitate the handover of sites by 15 October 2017. The disposal of property is governed under financial rule 105.23, which defines various disposal methods, as well as financial regulation 5.14 on the disposition of assets of peacekeeping operations during liquidation. The decision for selecting a disposal method under financial rule 105.23 takes into consideration such factors as the actual age and condition of the assets and equipment, the costs associated with dismantling and retrieval, and demonstrated requirements in other parts of the United Nations, as well as requirements to support activities that fall within the mandated activities of the Mission. The implementation of gifting also depends on the demonstrated capacity of the local government or government agency to properly operate and maintain the property gifted. **The Advisory Committee trusts that the next report on MINUJUSTH will include detailed information on the disposition of assets, including on any investigations conducted into the loss or theft of assets in accordance with the Financial Regulations and Rules of the United Nations.**

IV. Conclusion

14. As indicated above, the report states that the continued use by MINUJUSTH of the special account approved for MINUSTAH required that the cash balances for both missions were commingled and utilized for the settlement of outstanding liabilities for both missions. **While the Advisory Committee notes that the use of the special account for both MINUSTAH and MINUJUSTH may have facilitated the missions' transition phase and the MINUJUSTH start-up phase, it is concerned about the impact of a joint account and the resultant commingling of the missions' assets and liabilities on the closing and liquidation phases. The**

Committee recommends that the General Assembly request the Secretary-General, using existing in-house capacity, to develop lessons learned on the benefits and challenges in how this joint account mechanism was employed.

15. As indicated in paragraph 10 of his report, the Secretary-General requests the General Assembly: (a) to take note of the fund balance of \$15,121,000 available in the special account; and (b) to defer to its seventy-seventh session a decision, to be considered in the context of the final performance report for MINUJUSTH, on the treatment of the amount of \$15,121,000 indicated in (a) above.

16. The Advisory Committee notes from table 1 above that the fund balance as at 31 March 2021 amounted to \$9,865,000, with a cash surplus of \$2,660,500. **The Advisory Committee trusts that an update on the assets, liabilities, cash and fund balance of MINUSTAH will be provided to the General Assembly at the time of its consideration of the present report. In addition, the Committee trusts that information on the status of payments to troop- and police-contributing countries, and settlements of death and disability claims, will also be provided to the Assembly at the same time.**
