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Chair: Ms. Bird (Australia)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Terzi

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The meeting was called to order at 10.05 a.m.

Agenda item 150: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (continued)

Updated financial position of closed peacekeeping missions as at 30 June 2018 (A/73/604 and A/73/888)

1. **Mr. Ramanathan** (Controller), introducing the Secretary-General's report on the updated financial position of closed peacekeeping missions as at 30 June 2018 (A/73/604), said that the report provided information on the financial position of 29 missions. As at 30 June 2018, 24 missions had had net cash surpluses, totalling \$93.1 million, and 5 had had net cash deficits, totalling \$85.6 million. Pending the receipt of outstanding assessed contributions, troop-contributing countries were owed \$62.9 million.

2. The Secretary-General had made proposals in his reports on the updated financial position of closed peacekeeping missions at the sixty-sixth, sixty-seventh and sixty-eighth sessions (A/66/665, A/67/739 and A/68/666) to address the outstanding dues to Member States in respect of contingent-owned equipment and letters of assist for closed missions with cash deficits. He had also proposed, in his reports on the matter at the sixty-seventh, sixty-eighth, sixty-ninth and seventieth sessions (A/67/739, A/68/666, A/69/659 and A/70/552), to address cash issues in active missions by authorizing temporary cross-borrowing between such missions. As an alternative, he had proposed the establishment of a working capital fund for peacekeeping operations (A/68/666, A/69/659 and A/70/552). As the General Assembly had deferred consideration of those proposals, the Secretary-General in his current report provided a factual update on the financial information contained in his previous reports (A/68/666, A/69/659, A/70/552, A/71/652 and A/72/649).

3. During the period ending 30 June 2018, cash surpluses in closed missions had been used to alleviate occasional cash shortfalls in active operations, in particular the United Nations Mission for the Referendum in Western Sahara (MINURSO) and the United Nations Interim Administration Mission in Kosovo (UNMIK). Such borrowing had peaked at \$35.1 million in July and August 2017 and in June 2018. The balance of cross-borrowings at the end of April 2019 had been \$34.7 million.

4. The General Assembly was requested to consider the Secretary-General's proposals to address the cash requirements of active peacekeeping operations. If no new mechanism was approved, the Assembly was

requested to allow the retention of the net cash balance in 24 closed peacekeeping missions as at 30 June 2018.

5. **Mr. Terzi** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/73/888), said that the General Assembly, in its decision 72/547 C, had deferred until the current part of the session consideration of the seven previous reports of the Secretary-General (A/66/665, A/67/739, A/68/666, A/69/659, A/70/552, A/71/652 and A/72/649) and of the Advisory Committee (A/66/713, A/67/837, A/68/837, A/69/827, A/70/829, A/71/856 and A/72/838) on the updated financial position of closed peacekeeping missions. The Advisory Committee reiterated its previous observations and recommendations on the matter.

6. If no decision was taken during the current session, the Advisory Committee recommended that the General Assembly request the Secretary-General to review his previous proposals regarding the settlement of outstanding liabilities in closed missions, including to troop- and police-contributing countries, with a view to providing an updated proposal in his next report on closed peacekeeping operations.

7. The General Assembly had repeatedly called for Member States to pay their assessed contributions on time, in full and without conditions. The Advisory Committee reiterated the importance of settling claims by troop- and police-contributing countries in connection to closed peacekeeping missions in a timely manner.

8. The Advisory Committee recommended that the net cash balance proposed for retention to cover the temporary borrowing needs of active missions be reduced to \$40 million, the highest level of borrowing in the previous three calendar years, and that any available cash surplus over that amount be returned to Member States.

9. **Ms. Tarbush** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China, said that the cash deficits in several closed peacekeeping missions, caused by Member States' non-payment of arrears, had resulted in the prolonged, unacceptable non-payment of amounts owed to other Member States, particularly troop- and police-contributing countries. The decision of one Member State not to pay 3 per cent of its peacekeeping assessment had exacerbated the situation and might cause all missions to close with cash deficits in the future, which would result in more troop- and police-contributing countries not being reimbursed.

10. Troop- and police-contributing countries should not have to wait indefinitely to be reimbursed because some States were wilfully withholding their contributions.

The failure to reimburse troop- and police-contributing countries was in breach of the legal agreements between those countries and the United Nations. It was regrettable that the Secretariat gave a higher priority to the payment of staff salaries and vendors than to the reimbursement of those countries. Due consideration must be given to reimbursing those countries for the services and equipment that they had provided to United Nations peacekeeping.

11. All Member States should fulfil their financial obligations as set out in the Charter of the United Nations on time, in full and without conditions. Member States that were in arrears in their payments of assessed contributions to closed peacekeeping missions should pay those contributions expeditiously. The Group would seek further information on Member States in arrears and the amounts due in respect of the 29 closed missions. Such information should be included in the Secretary-General's future reports on the matter.

12. The Secretary-General's previous reports on the updated financial situation of closed operations had contained information on the historical unpredictability and gaps in the receipt of assessed contributions and their impact on liquidity in peacekeeping missions. The failure of Member States to pay their assessed contributions on time was evidenced by the continued reliance on cross-borrowing from closed missions to mitigate the operational cash shortages for active peacekeeping operations, which had amounted to \$41 million as at 30 June 2013, \$31 million as at 30 June 2014, \$23.5 million as at 30 June 2015, \$40 million as at 30 June 2016, \$32.1 million as at 30 June 2017 and \$35.1 million as at 30 June 2018. The Group would take proactive steps to curb such cross-borrowing.

13. The General Assembly, in its resolution [65/293](#), had requested the Secretary-General to submit concrete proposals and alternatives to address the issue of outstanding dues to Member States from closed peacekeeping missions that were in net cash deficit. The Group stood ready to explore options to settle such dues, particularly those owed to troop- and police-contributing countries, in a fair and sustainable way.

The meeting rose at 10.20 a.m.