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

**Updated financial position of closed peacekeeping missions
as at 30 June 2015**

Report of the Secretary-General

Summary

The present report provides information on the updated financial position of 26 closed peacekeeping missions as at 30 June 2015. Of these missions, 5 had net cash deficits owing to outstanding payments of assessed contributions, while 21 had net cash surpluses available for credit to Member States totalling \$70 million.



Abbreviations

MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURSO	United Nations Mission for the Referendum in Western Sahara
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observer Mission in Angola
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
ONUB	United Nations Operation in Burundi
ONUCA	United Nations Observer Group in Central America
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMSIL	United Nations Mission in Sierra Leone
UNAVEM	United Nations Angola Verification Mission
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNISFA	United Nations Interim Security Force for Abyei
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMIS	United Nations Mission in the Sudan
UNMISS	United Nations Mission in South Sudan
UNMISSET	United Nations Mission of Support in East Timor
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOT	United Nations Mission of Observers in Tajikistan
UNOMIG	United Nations Observer Mission in Georgia

UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission Uganda-Rwanda
UNOSOM	United Nations Operation in Somalia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNSMIH	United Nations Support Mission in Haiti
UNTAC	United Nations Transitional Authority in Cambodia
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAET	United Nations Transitional Administration in East Timor
UNTAG	United Nations Transition Assistance Group
UNTMIH	United Nations Transition Mission in Haiti

I. Introduction

1. At its sixty-sixth, sixty-seventh, sixty-eighth and sixty-ninth sessions, the General Assembly deferred consideration of the reports on the updated financial position of closed peacekeeping missions ([A/66/665](#), [A/67/739](#), [A/68/666](#) and [A/69/659](#)). The present report provides updated information on the financial position, as at 30 June 2015, of the following closed peacekeeping missions for which final performance reports have been issued: MINUGUA, MINURCA, ONUB, ONUCA and ONUSAL, ONUMOZ, UNAMSIL and UNOMSIL, UNAVEM and MONUA, UNIIMOG, UNIKOM, UNMEE, UNMIBH, UNMIH, UNMLT, UNMOT, UNOMIG, UNOMIL, UNOMUR and UNAMIR, UNOSOM, UNPF, UNPREDEP, UNSMIH, UNTMIH and MIPONUH, UNTAC, UNTAES and Civilian Police Support Group, UNTAET and UNMISSET, UNTAG, and, as of 2015, UNMIS. Further information is provided in annex I.

United Nations Mission in the Sudan

2. The mandate of UNMIS was established by the Security Council in its resolution 1590 (2005). By its resolution 1997 (2011), the Council decided to withdraw UNMIS effective 11 July 2011. Information on the final disposition of the assets of UNMIS was contained in the report of the Secretary-General dated 17 January 2014 ([A/68/709](#) and Corr.1), which the General Assembly took note of in its resolution 68/294. The final performance report of UNMIS was submitted in the report of the Secretary-General dated 13 November 2014 ([A/69/579](#)) and the General Assembly, in its resolution 69/303, decided that updated information on the financial position of the Mission was to be included in the report on the updated position of closed peacekeeping missions, to be considered by the General Assembly at its seventieth session.

3. As at 30 June 2015, 21 of the 26 peacekeeping missions covered herein had net cash surpluses available for credit to Member States, which totalled \$70,019,000, as set out in table 1.

Table 1

Consolidated net cash position of ONUB, ONUCA/ONUSAL, ONUMOZ, UNAMSIL/UNOMSIL, UNAVEM/MONUA, UNIIMOG, UNIKOM, UNMEE, UNMIBH, UNMIH, UNMIS, UNMLT, UNMOT, UNOMIG, UNOMIL, UNOMUR/UNAMIR, UNPF, UNPREDEP, UNTAES/Civilian Police Support Group, UNTAET/UNMISSET and UNTAG as at 30 June 2015

(Thousands of United States dollars)

Cash assets	205 714
Less: liabilities	(135 695)
Net cash available for credit to Member States as at 30 June 2015	70 019

4. The variation of the net cash available for credit to Member States from 30 June 2014 to 30 June 2015 is presented in table 2.

Table 2
Variation of net cash available for credit to Member States from 30 June 2014 to 30 June 2015

(Thousands of United States dollars)

Net cash available, 30 June 2014	58 978
Additional closed mission (UNMIS)	1 729
Reimbursement of loans from active peacekeeping missions	38 000
Loans to active missions	(30 500)
Net interest income and other/miscellaneous income	488
Receipt of contributions from Member States and other accounts receivable	1 324
Net cash available, 30 June 2015	70 019

5. The composition of the net cash balance of \$70,019,000 is broken down by mission in table 3.

Table 3
Closed peacekeeping missions with net cash balances as at 30 June 2015

(Thousands of United States dollars)

ONUB	1 349
ONUCA/ONUSAL	391
ONUMOZ	61
UNAMSIL/UNOMSIL	1 018
UNAVEM/MONUA	10 141
UNHMOG	170
UNIKOM	120
UNMEE	1 969
UNMIBH	733
UNMIH	1 495
UNMIS	1 729
UNMLT	1
UNMOT	110
UNOMIG	451
UNOMIL	175
UNOMUR/UNAMIR	10 479
UNPF	36 213
UNPREDEP	505
UNTAES/Civilian Police Support Group	531
UNTAET/UNMISSET	2 035
UNTAG	343
Total	70 019

6. The amount of \$70,019,000 shown in tables 1, 2 and 3 does not take into account the \$10,816,000 owed by two closed peacekeeping missions (\$7,366,000 by UNSMIH/UNTMIH/MIPONUH and \$3,450,000 by MINURCA) and another \$23,500,000 owed by two active peacekeeping missions (\$6,000,000 by MINURSO and \$17,500,000 by UNMIK), which remained unpaid as at 30 June 2015. Upon the repayment of the amount of \$23,500,000 owed by active peacekeeping operations, the total cash available would be \$93,519,000. As at 31 October 2015, there was one outstanding loan owed by one active peacekeeping operation (UNMIK) totalling \$20,500,000.

7. Five of the peacekeeping missions covered herein had net cash deficits totalling \$86,475,000 as at 30 June 2015, owing to outstanding payments of assessed contributions, as shown in table 4.

Table 4

Consolidated net cash position of the MINUGUA Military Observer Group, MINURCA, UNOSOM, UNSMIH/UNTMIH/MIPONUH and UNTAC as at 30 June 2015

(Thousands of United States dollars)

Cash assets	758
Less: liabilities	(87 233)
Net cash deficit as at 30 June 2015	(86 475)

8. The liabilities of the closed missions in cash deficit in the amount of \$87,233,000 included loans amounting to \$23,636,000, which comprise (a) \$10,816,000 owed to closed peacekeeping missions and (b) \$12,820,000 owed to the Peacekeeping Reserve Fund, in addition to claims owed to troop-contributing countries in the amount of \$62,922,000 (see annex II) and other payables in the amount of \$675,000.

9. The variation of the net cash deficit from 30 June 2014 to 30 June 2015 is presented in table 5.

Table 5

Variation of net cash deficit of the closed missions in cash deficit from 30 June 2014 to 30 June 2015

(Thousands of United States dollars)

Net cash deficit as at 30 June 2014	(86 700)
Contributions received from Member States	64
Settlement of inter-fund balances	16
Net interest income and other/miscellaneous income	145
Net cash deficit as at 30 June 2015	(86 475)

10. The net cash deficit in the amount \$86,475,000 is broken down by mission in table 6.

Table 6
Closed peacekeeping missions with cash deficits as at 30 June 2015
 (Thousands of United States dollars)

MINUGUA Military Observer Group	(124)
MINURCA	(23 817)
UNOSOM	(15 399)
UNSMIH/UNTMIH/MIPONUH	(7 271)
UNTAC	(39 864)
Total	(86 475)

II. Cash requirements of the Organization

11. As explained in previous reports of the Secretary-General on the updated financial situation of closed peacekeeping operations ([A/66/665](#), [A/67/739](#), [A/68/666](#) and [A/69/659](#)), as a result of the inherent unpredictability of the receipt of assessed contributions, liquidity in peacekeeping missions is volatile, with cash surpluses of closed missions currently being used to alleviate cash shortages in active peacekeeping operations. As a result of outstanding assessments in the special accounts of some active missions, there has been a continuing need to borrow from closed missions, despite improvements in recent years.

12. Cross-borrowing from closed missions totalled \$51 million as at 30 June 2012, \$41 million as at 30 June 2013, \$31 million as at 30 June 2014 and \$23.5 million as at 30 June 2015. At various times during the period from 1 July 2014 to 30 June 2015, cross-borrowings were carried out for three active peacekeeping missions, namely MINURSO, UNFICYP and UNMIK. At 30 June 2015, unpaid liabilities to troop-contributing countries owing to insufficient cash amounted to \$96 million in five active peacekeeping missions, namely MINURSO, MONUSCO, UNMIL, UNMISS and UNISFA. In addition to the \$23.5 million being cross-borrowed as at 30 June 2015, a further temporary cross-borrowing of \$7 million has been required during the financial period 2015/16 for MINURSO and UNMIK.

13. In the 2011/12 financial period, cross-borrowing from closed missions by active missions peaked at \$93 million in September 2011. In 2012/13, a peak of \$62 million was reached in July and August 2012. In the 2013/14 period, the amount peaked at \$57 million in August 2013. Most recently, in the 2014/15 period, the amount peaked at \$43 million in August and September 2014. Borrowings, settlements and peak levels of borrowing from July 2010 to 31 October 2015 are shown in annexes III and IV.

14. The Secretary-General recognizes that the liquidity of active peacekeeping operations is not directly linked to the issue of cash surpluses in closed missions. As shown in annex III, however, active peacekeeping operations have repeatedly faced liquidity problems owing to outstanding assessments that necessitated borrowing. Notably, in the case of peacekeeping operations, the contributions are held in separate special accounts, adding to the complexity of the situation. While cumulatively there is sufficient cash to manage peacekeeping operations, specific peacekeeping missions may have liquidity issues from time to time. As explained in

his previous reports ([A/68/666](#) and [A/69/659](#)), it is in this context that the Secretary-General proposes that the General Assembly authorize temporary borrowing between active peacekeeping missions, which is currently not permitted according to the terms of Assembly resolutions on the financing of peacekeeping operations. In those resolutions, the Assembly emphasizes that no peacekeeping mission is to be financed by borrowing funds from other active peacekeeping missions. A mechanism of cross-borrowing between active peacekeeping operations will not affect the operations of any active peacekeeping mission, given that past data show that the temporary needs for such cross-borrowing have consistently been relatively minor in comparison with the total cash position of all active peacekeeping missions at any given time.

15. As stated in the previous reports of the Secretary-General ([A/68/666](#) and [A/69/659](#)), the mechanism to trigger borrowing from one active mission to another would be the same as the mechanism that is currently in place for borrowing from closed peacekeeping missions: such cross-borrowing would be based on a regular review of the forecasted cash requirements of each peacekeeping mission and the anticipated receipt of contributions, and would be authorized by the Controller on a case-by-case basis. Such cross-borrowing would also be settled immediately when the cash situation of the borrowing mission improved.

16. The proposed limits and conditions for such cross-borrowing would be as follows:

(a) A decision to resort to cross-borrowing would be taken by the Controller in each case on the basis of a constant review of the liquidity situation of each active peacekeeping operation;

(b) Each loan would be limited to the minimum amount necessary to ensure the liquidity of the borrowing mission for the ensuing month, within a total borrowing limit of \$100 million, representing 1.2 per cent of the total approved resources for peacekeeping operations for the period from 1 July 2015 to 30 June 2016. The limit of \$100 million is based on the borrowing requirements from the closed peacekeeping missions over the past four financial periods, which peaked at \$93 million in September 2011, and the shortage of cash usually experienced at the time of the quarterly payments and reimbursements to troop-contributing countries.

17. In computing the liquidity requirements, any contractual obligations to personnel and vendors will be factored in, as is the case at present, as well as reimbursement of claims to troop-contributing countries. The framework for cross-borrowing shall be as follows:

(a) Each loan shall be repaid as soon as the liquidity situation of the borrowing mission allows repayment, even if repayment is possible only for a part of the loan, so that such cross-borrowing shall be for the minimum amount and time necessary;

(b) In each case the selection of the lending mission shall be based on which mission, given its liquidity situation both at the time and forecast for the following month, has the most latitude to lend without affecting its own operation;

(c) No interest would be charged on such inter-mission borrowings, as is the current practice, given that charging such interest for brief periods of time and minimal amounts would represent additional administrative tasks with limited

benefits, since interest charged to the borrowing missions would be treated as expenditure, reducing the balances to be credited to all Member States, even those that have paid their full contributions on time;

(d) Every quarter, the Office of Programme Planning, Budget and Accounts would make available online a summary of the borrowings across active missions, the overall cash position and the level of arrears of Member States to ensure that the level of assessments in arrears is not worsening in comparison with past financial periods under the current mechanism. Member States would continue to be actively reminded of the extent of their outstanding assessments.

18. The Secretary-General would closely monitor the new mechanism and report on its operation, including any adjustments needed, in future reports on the overview of the financing of the United Nations peacekeeping operations.

19. As an alternative, as stated in his previous reports ([A/68/666](#) and [A/69/659](#)), the Secretary-General proposes the establishment of a working capital fund to address the cash requirement of active peacekeeping operations. Such establishment would require an amendment to the Financial Regulations and Rules of the United Nations, which would be submitted for the approval of the General Assembly. The proposed regulations for such a fund would broadly follow those of the current regulations and rules that address the working capital fund for the United Nations programme budget, subject to the following:

(a) The advances from Member States would be based on the scale of assessment applicable to peacekeeping operations;

(b) The purpose of the fund would be exclusively to resolve the liquidity issues of active peacekeeping operations.

20. The use of the fund would follow the same working mechanism as highlighted above in the context of cross-borrowing between active missions. The following options could be considered for its financing:

(a) A one-time assessment to Member States for the amount of \$100 million;

(b) An amount of \$100 million could be transferred from the unencumbered balance of active peacekeeping operations for the financial period 2014/15.

III. Actions to be taken by the General Assembly

21. **The General Assembly is requested:**

(a) **To take note of the present report;**

(b) **To consider the proposals of the Secretary-General to address the cash requirements of active peacekeeping operations;**

(c) **To allow the retention of the net cash balance of \$70,019,000 available in 21 closed peacekeeping missions if no new mechanism is approved to address the cash requirements of active peacekeeping operations.**

Annex I

Unpaid assessments, accounts payable to Member States and other liabilities of closed peacekeeping missions as at 30 June 2015

(Thousands of United States dollars)

<i>Mission</i>	<i>Unpaid assessments</i>	<i>Accounts payable to Member States^a</i>	<i>Other liabilities</i>
MINUGUA Military Observer Group	144	–	(124)
MINURCA	35 538	(7 480)	(16 648)
ONUB	99	(967)	(1)
ONUCA/ONUSAL	78	(9)	–
ONUMOZ	16 677	(313)	–
UNAMSIL/UNOMSIL	570	(5 146)	–
UNAVEM/MONUA	34 864	(5 253)	–
UNMEE	89	(970)	–
UNIIMOG	3	(101)	–
UNIKOM	514	(966)	–
UNMIBH	33 835	(4 450)	–
UNMIH	9	(12 685)	–
UNMIS	5 145	(37 466)	(1 001)
UNMLT	–	(4)	–
UNOMIG	3 797	(986)	(7)
UNMOT	–	(6)	–
UNOMIL	2	(34)	–
UNOMUR/UNAMIR	1 263	(5 712)	–
UNOSOM	57 770	(15 559)	–
UNPF	131 370	(46 772)	–
UNPREDEP	1 234	(6 081)	–
UNSMIH/UNTMIH/MIPONUH	19 387	(114)	(7 366)
UNTAC	40 414	(39 942)	–
UNTAES/Civilian Police Support Group	8 713	(4 742)	–
UNTAET/UNMISSET	27 082	(1 863)	–
UNTAG	5	(160)	–
Total	418 602	(197 781)	(25 147)

^a Inclusive of amounts owed to troop-contributing countries for contingent-owned equipment, as well as credits to Member States from unencumbered balances pending instructions on their disposition.

Annex II

Outstanding claims owed to troop-contributing countries in closed missions with cash deficits as at 30 June 2015

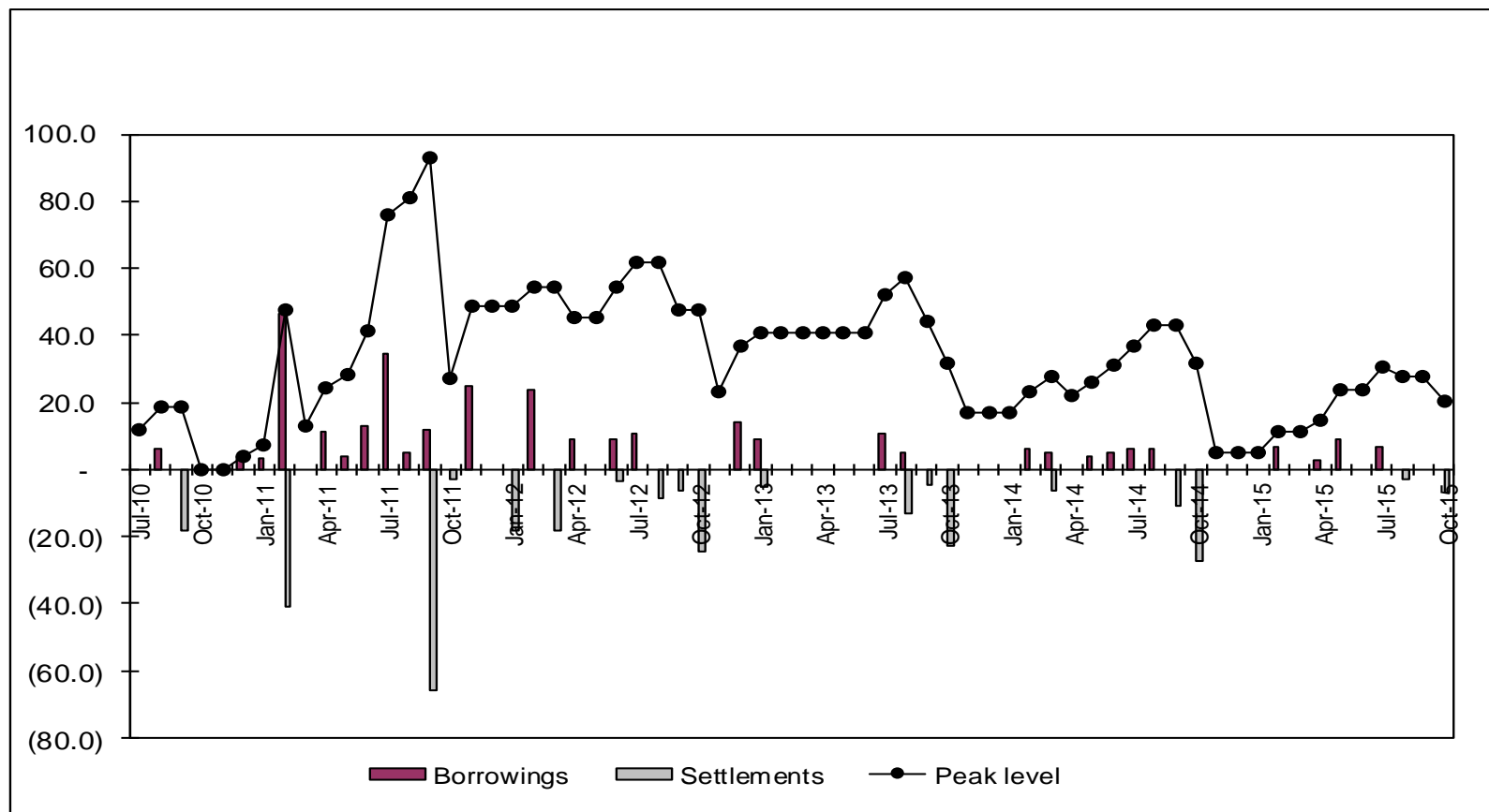
(Thousands of United States dollars)

	<i>Contingent-owned equipment</i>	<i>Letters of assist</i>	<i>Total</i>
MINURCA	(7 477)	(3)	(7 480)
UNOSOM	(12 425)	(3 065)	(15 490)
UNSMIH/UNTMIH/MIPONUH	–	(114)	(114)
UNTAC	(21 752)	(18 086)	(39 838)
Total	(41 654)	(21 268)	(62 922)

Annex III

Borrowings by active missions from closed peacekeeping missions, 1 July 2010 to 31 October 2015

(Millions of United States dollars)



Annex IV**Borrowings, settlements and peak levels of cross-borrowing by active missions from closed missions, 1 July 2010 to 31 October 2015**

(Millions of United States dollars)

<i>Month/year</i>	<i>Borrowings</i>	<i>Settlements</i>	<i>Balance</i>	<i>Peak level</i>	<i>Month/year</i>	<i>Borrowings</i>	<i>Settlements</i>	<i>Balance</i>	<i>Peak level</i>	<i>Month/year</i>	<i>Borrowings</i>	<i>Settlements</i>	<i>Balance</i>	<i>Peak level</i>
July 2010	–	–	12	12	July 2012	11	–	62	62	July 2014	6	–	37	37
August 2010	6.4	–	18.4	18.4	August 2012	–	-8.5	53.5	62	August 2014	6	–	43	43
September 2010	–	-18.4	–	18.4	September 2012	–	-6	47.5	47.5	September 2014	–	-11	32	43
October 2010	–	–	–	–	October 2012	–	-24.5	23	47.5	October 2014	–	-27	5	32
November 2010	–	–	–	–	November 2012	–	–	23	23	November 2014	–	–	5	5
December 2010	4	–	4	4	December 2012	14	–	37	37	December 2014	–	–	5	5
January 2011	3.5	–	7.5	7.5	January 2013	9	-5	41	41	January 2015	–	–	5	5
February 2011	46.5	-41	13	47.5	February 2013	–	–	41	41	February 2015	6.5	–	11.5	11.5
March 2011	–	–	13	13	March 2013	–	–	41	41	March 2015	–	–	11.5	11.5
April 2011	11.5	–	24.5	24.5	April 2013	–	–	41	41	April 2015	3	–	14.5	14.5
May 2011	4	–	28.5	28.5	May 2013	–	–	41	41	May 2015	9	–	23.5	23.5
June 2011	13	–	41.5	41.5	June 2013	–	–	41	41	June 2015	–	–	23.5	23.5
July 2011	34.5	–	76	76	July 2013	11	–	52	52	July 2015	7	–	30.5	30.5
August 2011	5	–	81	81	August 2013	5	-13	44	57	August 2015	–	-3	27.5	30.5
September 2011	12	-66	27	93	September 2013	–	-4.5	39.5	44	September 2015	–	–	27.5	27.5
October 2011	–	-3	24	27	October 2013	–	-22.5	17	32	October 2015	–	-7	20.5	27.5
November 2011	25	–	49	49	November 2013	–	–	17	17					
December 2011	–	–	49	49	December 2013	–	–	17	17					
January 2012	–	-18	31	49	January 2014	–	–	17	17					
February 2012	23.5	–	54.5	54.5	February 2014	6	–	23	23					
March 2012	–	-18	36.5	54.5	March 2014	5	-6	22	28					
April 2012	9	–	45.5	45.5	April 2014	–	–	22	22					
May 2012	–	–	45.5	45.5	May 2014	4	–	26	26					
June 2012	9	-3.5	51	54.5	June 2014	5	–	31	31					