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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 2017

Report of the Secretary-General

Summary

The present report provides information on the financial position of 29 closed peacekeeping missions as at 30 June 2017. Of those missions, five had net cash deficits in the total amount of \$86.0 million (in comparison with \$86.1 million as at 30 June 2016) as a result of outstanding payments of assessed contributions from Member States. The remaining 24 closed peacekeeping missions had net cash surpluses available for credit to Member States totalling \$85.3 million (in comparison with \$67.7 million as at 30 June 2016).



Abbreviations

MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURCAT	United Nations Mission in the Central African Republic and Chad
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
UNMISSET	United Nations Mission of Support in East Timor
UNMISS	United Nations Mission in South Sudan
UNMIT	United Nations Integrated Mission in Timor-Leste
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
UNSMIS	United Nations Supervision Mission in the Syrian Arab Republic
UNSOS	United Nations Support Office in Somalia
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. The present report is submitted pursuant to resolution [57/323](#), wherein the General Assembly requested the Secretary-General to provide an updated report and make proposals on how to address the issue of outstanding dues owed to Member States from closed peacekeeping missions that are in net cash deficit. The report provides updated information on the financial position of closed peacekeeping missions since the previous report of the Secretary-General ([A/71/652](#)), which the Assembly deferred for consideration until its seventy-second session (decision 71/546 C).

2. The present report provides updated information on the financial position, as at 30 June 2017, 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, UNHMOG, 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, UNMIS, UNMIT, MINURCAT and UNSMIS. Information on each closed peacekeeping mission is provided in annex I to the present report.

Background

3. The General Assembly has deferred consideration of the closed peacekeeping missions since its sixty-sixth session, in 2012, when the Secretary-General presented his report on the updated financial position of closed peacekeeping missions as at 30 June 2011 ([A/66/665](#)). The Secretary-General continues to provide updated financial information on an annual basis (see [A/67/739](#), [A/68/666](#), [A/69/659](#), [A/70/552](#) and [A/71/652](#)). The present report is the seventh such update.

4. As at 30 June 2002, there were 10 closed peacekeeping missions with a net operating deficit of \$35.3 million. By 30 June 2017, that number had almost trebled to 29 closed peacekeeping missions with a net cash deficit of \$0.7 million, resulting from the outstanding payment of assessments totalling \$399.9 million gross (\$357.2 million net of \$41.5 million in credits and \$1.2 million in overpayments).

II. Consolidated financial information

5. As at 30 June 2017, 24 of the 29 peacekeeping missions covered in the present report had net cash surpluses available for credit to Member States totalling \$85,347,000, as set out in table 1.

Table 1

Consolidated net cash position of MINURCAT, ONUB, ONUCA/ONUSAL, ONUMOZ, UNAMSIL/UNOMSIL, UNAVEM/MONUA, UNIIMOG, UNIKOM, UNMEE, UNMIBH, UNMIH, UNMIS, UNMIT, UNMLT, UNMOT, UNOMIG, UNOMIL, UNOMUR/UNAMIR, UNPF, UNPREDEP, UNSMIS, UNTAES/Civilian Police Support Group, UNTAET/UNMISSET and UNTAG as at 30 June 2017

(Thousands of United States dollars)

<i>Category</i>	<i>Amount</i>
Cash assets	146 342
Less: liabilities	(60 995)
Net cash available for credit to Member States as at 30 June 2017	85 347

6. The total net cash available in the 24 closed peacekeeping missions at the end of June 2016 was \$67,663,000. By the end of June 2017, there were 24 closed peacekeeping missions with total net cash balances available of \$85,347,000. As at the same date, outstanding payments of assessments for those 24 closed missions amounted to \$247,091,000. A total of \$18,430,000 in claims was owed to troop-contributing countries, along with \$41,293,000 in credits and \$1,193,000 of overpayments by Member States. The change in the total net cash available for credit to Member States from 30 June 2016 to 30 June 2017 is analysed in table 2.

Table 2

Change in net cash available for credit to Member States from 30 June 2016 to 30 June 2017

(Thousands of United States dollars)

Net cash available as at 30 June 2016	67 663
Reimbursement of loans from active peacekeeping missions	30 500
Loans to active missions	(22 600)
Investment revenue	1 290
Contributions received from Member States	7 993
Cancellation of claims (staff)	1 057
Settlement of vendor claims, death and disability and other charges	(556)
Net cash available as at 30 June 2017	85 347

7. As at 30 June 2016, an amount of \$40,000,000 was owed by two active missions, comprising \$13,500,000 owed by MINURSO and \$26,500,000 owed by UNMIK. As at 30 June 2017, the amount owed by those missions had decreased to \$32,100,000, comprising \$10,800,000 owed by MINURSO and \$21,300,000 owed by UNMIK.

8. The operating cash flow for active peacekeeping missions appears to have improved, and by 31 October 2017 only one loan to UNMIK, in the amount of \$10,600,000, was outstanding. The downward trend in cross-borrowing seems to follow the same pattern of reaching its lowest level in the final quarter of the calendar year, usually following the payment of assessments during the month of September. It is not possible, however, to discern whether the improvement reflects a steady downward trend in cross-borrowing, owing to the cyclical nature of such borrowing.

9. Annexes II and III to the present report depict the levels of cross-borrowing and provide an analysis of monthly borrowings and settlements between active and closed peacekeeping missions, respectively, since July 2012. Peak levels of cross-borrowing during 2016 and 2017 were not the lowest experienced during the past five years.

10. In addition to borrowing by active missions, as at 30 June 2017 there were outstanding loans from closed peacekeeping missions to other closed missions, which had cash deficits owing to outstanding payments of assessments and therefore could not repay the loans. The loans were for UNSMIH/UNTMHI/MIPONUH (\$7,366,000), MINURCA (\$3,518,000) and MINUGUA (\$124,000). Prior-period claims in the amount of \$1,057,000 were cancelled during the financial period for unclaimed staff entitlements in UNAMSIL, UNMIS, UNSMIS, UNMOT and UNMIT; and \$556,000 of death and disability and vendor claims were settled during the reporting period.

11. During the financial year, Member States settled outstanding assessments of \$7,993,000, principally with respect to UNPF, UNMIS, UNPREDEP, ONUMOZ, UNIKOM, UNAMIR and UNMIT.

12. Investment revenues of \$1,290,000 were earned principally by UNPF, UNOMUR/UNAMIR, UNMIH, UNAVEM/MONUA, ONUMOZ, MINURCAT and UNMIS, which had the largest holdings of cash and cash-equivalent assets during the financial year.

13. The total net cash balance of \$85,347,000 as at 30 June 2017 is analysed for each of the 24 closed peacekeeping missions in table 3.

Table 3

Closed peacekeeping missions with net cash balances as at 30 June 2017

(Thousands of United States dollars)

<i>Mission</i>	<i>Amount</i>
MINURCAT	1 774
ONUB	1 400
ONUCA/ONUSAL	397
ONUMOZ	7 841
UNAMSIL/UNOMSIL	1 495
UNAVEM/MONUA	10 379
UNIIMOG	174
UNIKOM	582
UNMEE	2 061
UNMIBH	812
UNMIH	11 289
UNMIS	6 268
UNMIT	1 056
UNMLT	1
UNMOT	115
UNOMIG	470
UNOMIL	178
UNOMUR/UNAMIR	11 059
UNPF	22 598
UNPREDEP	1 827

<i>Mission</i>	<i>Amount</i>
UNSMIS	123
UNTAES	608
UNTAET/UNMISSET	2 491
UNTAG	349
Total	85 347

14. As at 30 June 2017, 5 of the 29 peacekeeping missions covered in the present report had net cash deficits totalling \$86,041,000, as shown in table 4. The deficit arose from outstanding payments of assessments in the total amount of \$152,821,000.

Table 4

Consolidated net cash position of the MINUGUA Military Observer Group, MINURCA, UNOSOM, UNSMIH/UNTMIH/MIPONUH and UNTAC as at 30 June 2017

(Thousands of United States dollars)

<i>Category</i>	<i>Amount</i>
Cash assets	901
Less: liabilities	(86 942)
Net cash deficit as at 30 June 2017	(86 041)

15. The liabilities of the closed missions in cash deficit shown in table 4 above included loans of \$23,828,000, comprising (a) \$11,008,000 owed by UNSMIH/UNTMIH/MIPONUH, MINURCA and MINUGUA to closed peacekeeping missions (see para. 10 above); and (b) \$12,820,000 owed by MINURCA to the Peacekeeping Reserve Fund since February 2000 as a result of insufficient cash resources in the Mission. Liabilities also included claims owed to troop-contributing countries in the amount of \$62,940,000 (see annex IV) and other payables in the amount of \$175,000 comprising credits owed to the former Yugoslavia.

16. The change in the net cash position for the five closed peacekeeping missions in cash deficit from 30 June 2016 to 30 June 2017 is presented in table 5.

Table 5

Change in the net cash position of closed missions in deficit from 30 June 2016 to 30 June 2017

(Thousands of United States dollars)

Net cash deficit as at 30 June 2016	(86 102)
Contributions received from Member States	41
Investment revenue	20
Net cash deficit as at 30 June 2017	(86 041)

17. The net cash deficit in the amount of \$86,041,000 as at 30 June 2017 is analysed for each of the five closed peacekeeping missions in table 6.

Table 6
Closed peacekeeping missions with cash deficits as at 30 June 2017

(Thousands of United States dollars)

<i>Mission</i>	<i>Amount</i>
MINUGUA Military Observer Group	(123)
MINURCA	(23 810)
UNOSOM	(15 173)
UNSMIH/UNTMIH/MIPONUH	(7 267)
UNTAC	(39 668)
Total	(86 041)

III. Cash requirements of the Organization and outstanding dues owed to Member States from closed peacekeeping missions that are in net cash deficit

18. Previous reports of the Secretary-General on the updated financial situation of closed peacekeeping operations have presented information on the historical unpredictability and gaps in the receipt of assessed contributions and their impact on liquidity in peacekeeping missions. In accordance with the decisions of the General Assembly, assessments for each peacekeeping operation are issued according to the length of the respective mandate. Consequently, the timing of the issuance of assessments and the related incoming contributions for each operation depend upon the timing and length of the mandate extension by the Security Council.

19. Cash surpluses of closed missions continue to be used to alleviate the operational cash shortages for active peacekeeping operations. 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, \$23.5 million as at 30 June 2015, \$40 million as at 30 June 2016 and \$32.1 million as at 30 June 2017. At various times during the period from 1 July 2016 to 30 June 2017, cross-borrowings were carried out to meet the operational needs for two active peacekeeping missions, namely MINURSO and UNMIK. As at 30 June 2017, unpaid liabilities to troop-contributing countries owing to insufficient cash amounted to \$73 million in three active peacekeeping missions, namely MINURSO, MONUSCO and UNSOS. Borrowings, settlements and peak levels of cross-borrowing from July 2012 to 31 October 2017 are shown in annexes II and III to the present report.

20. While the decreasing trend of cross-borrowing from closed mission for active peacekeeping missions in the past five financial periods continues, some active missions, particularly MINURSO and UNMIK, are still facing cash shortages owing to outstanding assessments that require temporary borrowings from closed peacekeeping missions. As shown in figures I and II, there is a strong relationship between unpaid assessments (blue line) and the level of cross-borrowing (green line). That strong relationship is the reason why the two missions have to keep borrowing, owing to the delay in the payment of assessments and the consequent shortage of cash receipts.

Figure I
MINURSO: unpaid assessments and cross-borrowings (July 2012 to September 2017)

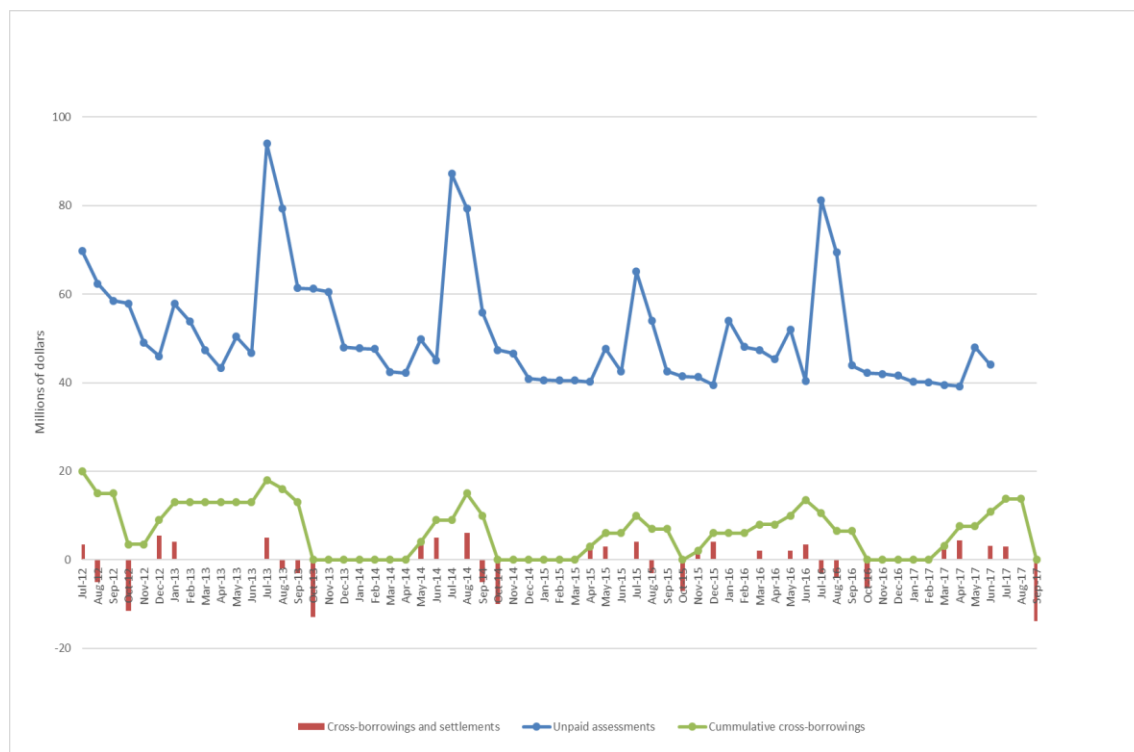
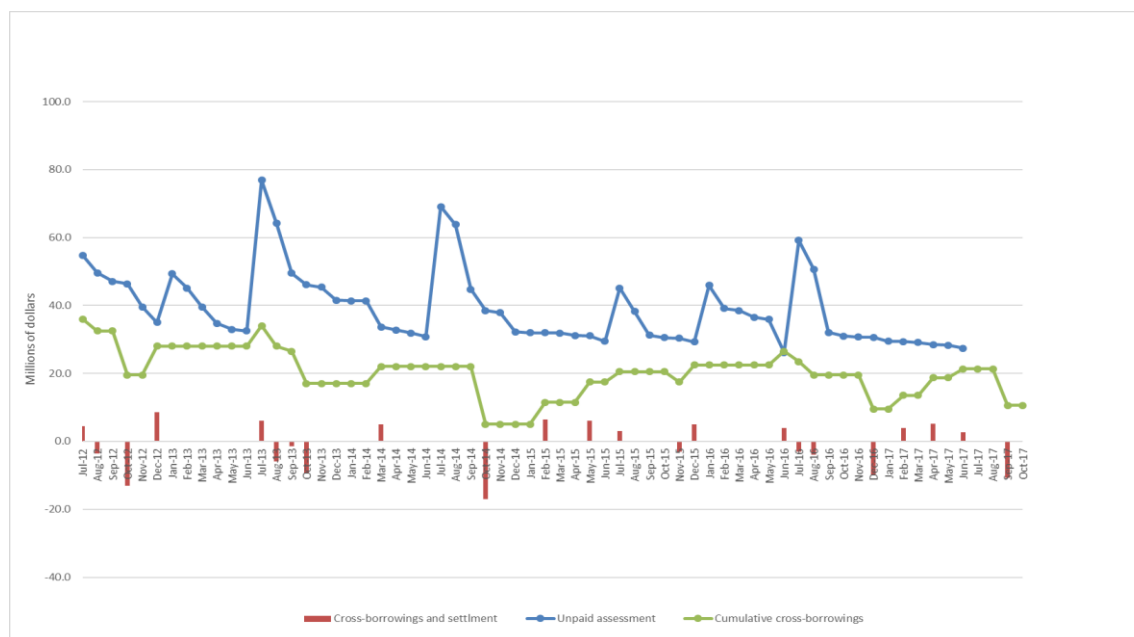


Figure II
UNMIK: unpaid assessments and cross-borrowings (July 2012 to October 2017)



21. As noted above, the General Assembly has deferred consideration of the reports of the Secretary-General on the updated financial position of closed peacekeeping missions since its sixty-sixth session. In five of his reports on the matter ([A/66/665](#), [A/67/739](#), [A/68/666](#), [A/69/659](#) and [A/70/552](#)), the Secretary-General has proposed a number of options to address the issues surrounding cash deficits of both closed and active peacekeeping missions, which are still under consideration:

- Proposals to resolve the issue of outstanding debts in closed missions with cash deficits ([A/66/665](#), [A/67/739](#) and [A/68/666](#));
- Proposal for temporary cross-borrowing from active missions ([A/67/739](#), [A/68/666](#), [A/69/659](#) and [A/70/552](#));
- Proposal to establish a working capital fund ([A/68/666](#), [A/69/659](#) and [A/70/552](#)).

IV. Actions to be taken by the General Assembly

22. **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 \$85,347,000 available in 24 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 2017

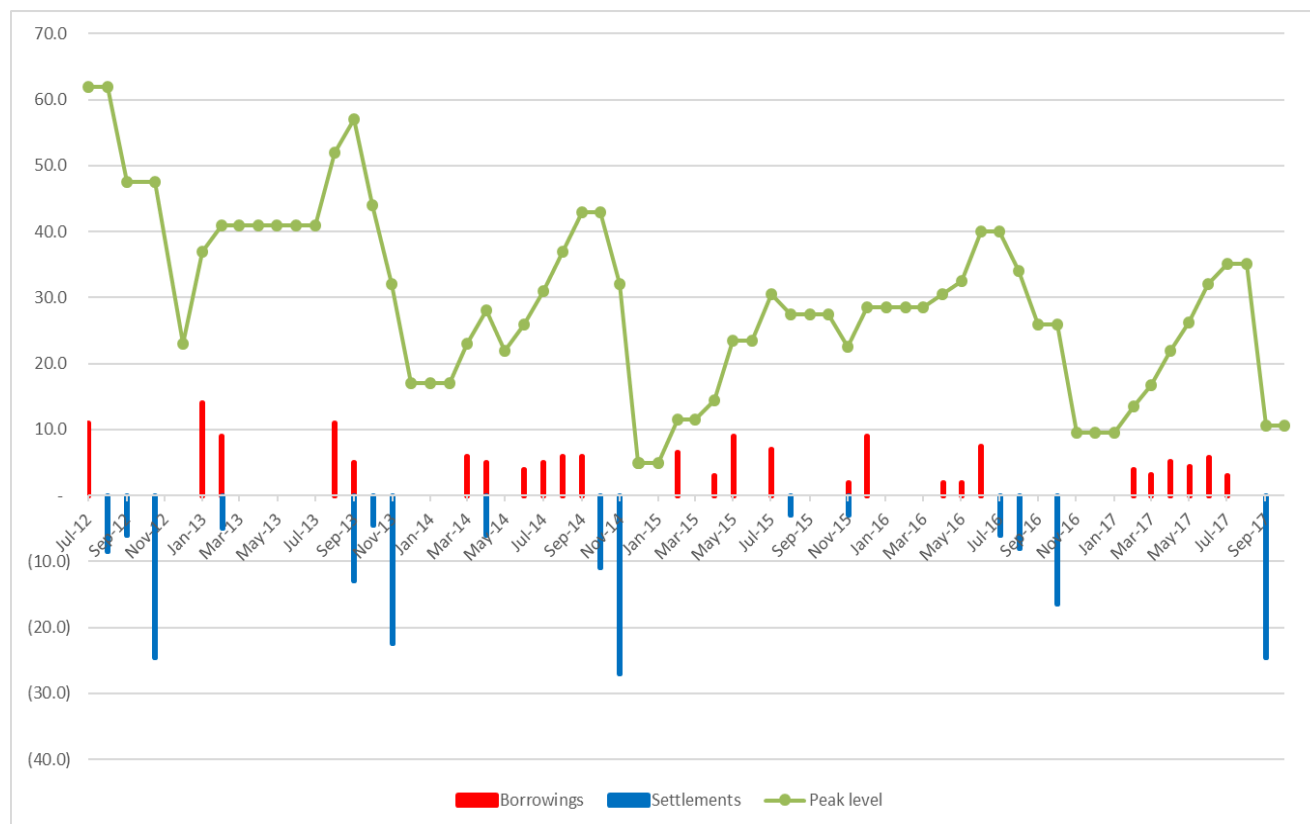
(Thousands of United States dollars)

Mission	Accounts payable to Member States				
	Unpaid assessments	Amounts owed to troop- and police-contributing countries	Credits returnable to Member States	Overpayment	Other liabilities
Surplus missions					
MINURCAT	205	—	(6 709)	(5)	—
ONUB	36	(46)	(318)	(593)	—
ONUCA/ONUSAL	78	—	(3)	—	—
ONUMOZ	8 978	—	(310)	—	—
UNAMSIL/UNOMSIL	158	(3)	(74)	(3)	—
UNAVEM/MONUA	34 864	—	(5 231)	—	—
UNIIMOG	3	—	(69)	—	—
UNIKOM	68	—	(273)	—	—
UNMEE	32	(39)	(45)	(28)	—
UNMIBH	33 835	—	(4 420)	—	—
UNMIH	9	(12 454)	(207)	—	—
UNMIS	954	—	(576)	(59)	—
UNMIT	150	—	(1 735)	—	(81)
UNMLT	—	—	(3)	—	—
UNMOT	—	(1)	(3)	—	—
UNOMIG	3 795	—	(152)	(448)	—
UNOMIL	2	—	(28)	—	—
UNOMUR/UNAMIR	922	—	(219)	—	—
UNPF	127 582	(3 299)	(13 779)	—	—
UNPREDEP	2	(2 588)	(14)	—	—
UNSMIS	11	—	(426)	(57)	—
UNTAES/Civilian Police Support Group	8 713	—	(4 725)	—	—
UNTAET/UNMISSET	26 687	—	(1 848)	—	—
UNTAG	5	—	(124)	—	—
Subtotal	247 091	(18 430)	(41 293)	(1 193)	(81)
Deficit missions					
MINUGUA	144	—	—	—	(124)
MINURCA	35 538	(7 480)	—	—	(16 337)
UNOSOM	57 551	(15 490)	(70)	—	—
UNSMIH/UNTMIH/MIPONUH	19 386	(114)	—	—	(7 366)
UNTAC	40 201	(39 856)	(105)	—	—
Subtotal	152 821	(62 940)	(175)	—	(23 828)
Total	399 912	(81 370)	(41 468)	(1 193)	(23 909)

Annex II

Borrowings by active missions from closed peacekeeping missions, 1 July 2012 to 31 October 2017

(Millions of United States dollars)



Annex III

Borrowings, settlements and peak levels of cross-borrowing by active missions from closed missions, 1 July 2012 to 31 October 2017

(Millions of United States dollars)

<i>1 July 2012 to 30 June 2013</i>				
<i>Month</i>	<i>Borrowings</i>	<i>Settlements</i>	<i>Balance</i>	<i>Peak level</i>
July	11.0	—	62.0	62.0
August	—	(8.5)	53.5	62.0
September	—	(6.0)	47.5	47.5
October	—	(24.5)	23.0	47.5
November	—	—	23.0	23.0
December	14.0	—	37.0	37.0
January	9.0	(5.0)	41.0	41.0
February	—	—	41.0	41.0
March	—	—	41.0	41.0
April	—	—	41.0	41.0
May	—	—	41.0	41.0
June	—	—	41.0	41.0

<i>1 July 2013 to 30 June 2014</i>				
<i>Month</i>	<i>Borrowings</i>	<i>Settlements</i>	<i>Balance</i>	<i>Peak level</i>
July	11.0	—	52.0	52.0
August	5.0	(13.0)	44.0	57.0
September	—	(4.5)	39.5	44.0
October	—	(22.5)	17.0	32.0
November	—	—	17.0	17.0
December	—	—	17.0	17.0
January	—	—	17.0	17.0
February	6.0	—	23.0	23.0
March	5.0	(6.0)	22.0	28.0
April	—	—	22.0	22.0
May	4.0	—	26.0	26.0
June	5.0	—	31.0	31.0

<i>1 July 2014 to 30 June 2015</i>				
<i>Month</i>	<i>Borrowings</i>	<i>Settlements</i>	<i>Balance</i>	<i>Peak level</i>
July	6.0	—	37.0	37.0
August	6.0	—	43.0	43.0
September	—	(11.0)	32.0	43.0
October	—	(27.0)	5.0	32.0
November	—	—	5.0	5.0
December	—	—	5.0	5.0
January	—	—	5.0	5.0
February	6.5	—	11.5	11.5
March	—	—	11.5	11.5
April	3.0	—	14.5	14.5
May	9.0	—	23.5	23.5
June	—	—	23.5	23.5

<i>1 July 2015 to 30 June 2016</i>				
<i>Month</i>	<i>Borrowings</i>	<i>Settlements</i>	<i>Balance</i>	<i>Peak level</i>
July	7.0	—	30.5	30.5
August	—	(3.0)	27.5	30.5
September	—	—	27.5	27.5
October	—	(7.0)	20.5	27.5
November	2.0	(3.0)	19.5	22.5
December	9.0	—	28.5	28.5
January	—	—	28.5	28.5
February	—	—	28.5	28.5
March	—	—	28.5	28.5
April	2.0	—	30.5	30.5
May	2.0	—	32.5	32.5
June	7.5	—	40.0	40.0

<i>1 July 2016 to 30 June 2017</i>				
<i>Month</i>	<i>Borrowings</i>	<i>Settlements</i>	<i>Balance</i>	<i>Peak level</i>
July	—	(6.0)	34.0	40.0
August	—	(8.0)	26.0	34.0
September	—	—	26.0	34.0
October	—	(16.5)	9.5	26.0
November	—	—	9.5	9.5
December	—	—	9.5	9.5
January	—	—	9.5	9.5
February	4.0	—	13.5	13.5
March	3.2	—	16.7	16.7
April	5.2	—	21.9	21.9
May	4.4	—	26.3	26.3
June	5.8	—	32.1	32.1

<i>1 July 2017 to 31 October 2017</i>				
<i>Month</i>	<i>Borrowings</i>	<i>Settlements</i>	<i>Balance</i>	<i>Peak level</i>
July	3.0	—	35.1	35.1
August	—	—	35.1	35.1
September	—	(24.5)	10.6	35.1
October	—	—	10.6	10.6

Annex IV

Outstanding claims owed to troop-contributing countries in closed missions with cash deficits as at 30 June 2017

(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 ^a	(20 320)	(19 536)	(39 856)
Total	(40 222)	(22 718)	(62 940)

^a The change in the amount of \$4,000 for UNTAC from the prior year is the result of a revaluation of claims in Canadian dollars as at 30 June 2017.