



# General Assembly

Seventy-sixth session

Official Records

Distr.: General  
11 July 2022

Original: English

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## Fifth Committee

### Summary record of the 19th meeting

Held at Headquarters, New York, on Tuesday, 17 May 2022, at 10 a.m.

*Chair:* Mr. Margaryan . . . . . (Armenia)  
*Vice-Chair of the Advisory Committee on Administrative  
and Budgetary Questions:* Ms. Gaspar Ruas

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

### **Briefing on the status of reimbursements to troop- and police-contributing countries**

1. **Mr. Saunders** (Assistant Secretary-General for Supply Chain Management), accompanying his statement with a digital slide presentation, said that his briefing had been prepared in accordance with the General Assembly's request, in its resolution [73/307](#), that the Secretary-General arrange quarterly briefings for Member States on the status of reimbursements to troop- and police-contributing countries and the steps taken to ensure their timely settlement. In March 2022, at the time of the previous briefing on the matter, the outstanding balance due to troop- and police-contributing countries in respect of the African Union-United Nations Hybrid Operation in Darfur (UNAMID) had been \$31.3 million. That amount had been placed in accounts payable. Since the previous briefing, claims related to troops and contingent-owned equipment for the period from October to December 2021, amounting to \$489.8 million, had been processed. Of that amount, \$484.6 million had been paid in March and April 2022, leaving a balance of \$5.2 million, which, in addition to the amount already in accounts payable, gave a total balance related to UNAMID of \$36.5 million.

2. As the cross-borrowing of cash among active peacekeeping missions was now possible in accordance with resolution [73/307](#), funds could be disbursed earlier than under the previous arrangements. From 1 January 2019 to 30 April 2022, claims in an amount of \$7.03 billion had been processed; of that amount, \$6.9 billion, or 99.43 per cent, had been disbursed, including \$505.6 million in 2022. The balance of \$36.5 million owed in respect of UNAMID comprised \$24.99 million related to contingent-owned equipment for the period from January to December 2021 and \$11.5 million related to personnel for the period from April to December of that year. He recalled that, in March 2022, UNAMID had had to borrow from other active missions in order to continue its operations, because of its low cash reserves. The management of the cash balances of active operations as a pool did not allow the disbursement of loans related to troops or contingent-owned equipment associated with previous deployments to UNAMID. Consequently, in order for the Organization to pay the outstanding arrears and meet the liabilities that were expected to accrue after the closure of the Mission, Member States must pay their assessed contributions in respect of UNAMID without delay. He thanked those Member States that had responded to the Secretary-General's appeal for the timely payment of contributions. Timely payment

allowed the Organization to meet its obligations to troop- and police-contributing countries, and was particularly important in the current economic climate. He urged Member States to meet their obligations to the Organization in full and in a timely manner.

3. For the period from July 2021 to June 2022, the estimated reimbursements were over \$1.1 billion in respect of troops and over \$804 million in respect of contingent-owned equipment, for a total of almost \$1.95 billion. The United Nations Mission in South Sudan (UNMISS), the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA) and the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) accounted for the bulk of that amount. The projected cash requirements for contingent-owned equipment and personnel for the period from January to June 2022 were over \$1 billion.

### **Briefing on the management of the liquidity situation of the Organization**

4. **Mr. Ramanathan** (Controller), accompanying his statement with a digital slide presentation, said that the briefing had been prepared in accordance with General Assembly resolution [75/252](#), in which the Assembly had expressed the need to receive detailed and consolidated information on the management of the liquidity situation, and had requested the Secretary-General to brief it on the impact of that situation on the implementation of United Nations mandates and the functioning of United Nations services. Although the quarterly aggregate cash balance of active peacekeeping operations had decreased overall since 2016, it had increased in 2021, when the Secretary-General had begun to issue assessment letters for the full budget period approved by the Assembly, subject to the availability of rates of assessment for applicable years. Although that increase had been limited by the settlement of debts to troop- and police-contributing countries, the situation gave no major cause for concern. The cash balances of active operations, however, must continue to be managed as a pool after the current session; otherwise, the Organization would be forced to stop reimbursing troop- and police-contributing countries in order to keep operations running. Cash-pooling had enabled 48 per cent of payments to those countries from July to September 2021, 27 per cent from October to December 2021 and 23 per cent from January to March 2022.

5. The arrears in the reimbursement of troop- and police-contributing countries were decreasing. The

outstanding amount of \$36.5 million was due in relation to UNAMID; as a closing mission, UNAMID had not received a loan from the pool of cash balances of active operations, given the high risk that it would be unable to repay the loan in a timely manner, which would adversely affect mandate implementation by the lending mission, in violation of resolution 73/307. In order to keep operations running, the Secretariat reduced the pace of reimbursements to troop- and police-contributing countries in respect of closing missions when assessed contributions were not paid in a timely manner.

6. Outstanding year-end arrears in payments to the regular budget had not exceeded \$535 million between 2010 and 2018, but had increased significantly in 2019 and 2020. In 2021, however, a record amount of assessed contributions had been received, and the year-end arrears had been \$434 million, one of the lowest levels in years. The number of Member States that had paid their contributions in full had been higher in 2021 than in 2020, and the number that had paid within 30 days of receipt of the letters of assessment had risen steadily in recent years. As at 30 April 2022, however, only 96 Member States had paid in full, 2 fewer than at the same date in 2021. Since 30 April 2022, four more Member States had paid in full.

7. From 2020 to 2022, the bulk of contributions had been received in the first and second quarters. In 2020 and 2021, hardly any contributions had been received in the third quarter, but the amount received had increased significantly in the fourth quarter. In 2020, the payments received in December had exceeded those received in November; it had been impossible to predict whether those payments would be received by the end of the budget year. A total of \$300 million had been received in the last 10 days of the year, too late to be spent. To prevent that amount from being lost, the Secretariat had established a special commitment, giving programme managers more time to decide how to spend the funds. Although the Secretariat had been heavily criticized, including by the oversight bodies, for taking that measure, it would do so again to avoid significant disruption of activities if the exceptional circumstances of December 2020 recurred.

8. In 2021, unlike in 2020, a very large amount had been received in April, and the amount received in November had exceeded that received in December; the Secretariat hoped that the trend for contributions to be paid earlier in the year would continue. More contributions had been paid in January 2022 than a year previously, but fewer contributions had been paid from February to April 2022 than from February to April 2021. As a result, the cumulative amount received as at

30 April 2022 had been lower than at the same point in 2021.

9. In 2022, although the amounts of regular-budget contributions received had exceeded the Secretariat's forecasts in January and March, they had been lower than forecast in February and April, with the result that, as at 30 April, the cumulative amount received had been \$202 million less than forecast. The Secretariat could not predict when contributions would be paid, and that uncertainty, as much as the amounts received, affected its management of the liquidity situation.

10. The most effective measure taken to manage the regular-budget liquidity situation had been hiring restrictions, as staff costs accounted for the bulk of the budget. The actual vacancy rate had been raised from 2019 to May 2021, at which point the restrictions had been relaxed because of the large amount of contributions received. The General Assembly had increased the budgeted vacancy rate to 10 per cent for Professional staff and 9.2 per cent for General Service staff for 2022, but the Secretariat had maintained the actual vacancy rates at a much higher level in order to contain the liquidity situation. The result of the high actual rates was that mandates were not being fully implemented and the related funds were not being spent and could not be redeployed. The unspent funds would subsequently be returned to the Member States as credit, and another crisis would ensue. The problem was structural in that it resulted from the rigidity of the budget process, which meant that the regular budget could not be managed in the same way as the budgets of other United Nations agencies.

11. The regular-budget monthly cash deficit had reached \$488 million in 2018 and \$520 million in 2019, despite the imposition of some spending restrictions. If the deficit had reached \$533 million in 2019, the Organization would have defaulted on its payments. The deficit had been contained through spending restrictions in 2020, and through a combination of spending restrictions and increased payment of assessed contributions in 2021. In 2022, because of the healthy balance at the start of the year, the deficit would be contained without spending restrictions, even if contributions were not paid in a timely manner. In 2023, however, the cash balance at the start of the year was projected to be lower than in 2022, and \$279 million in unspent funds from 2020 and 2021 would be returned to the Member States as credit; as a result, the projected deficit for 2023 was \$489 million, which could nevertheless be covered by drawing on the Working Capital Fund and the Special Account, and by borrowing from the accounts of closed peacekeeping missions. The projected deficit for 2024 was \$626 million, which

could not be covered even by borrowing from the accounts of closed missions. To mitigate the deficit, the Secretariat would impose spending restrictions from the beginning of 2023. In 2025 and 2026, even if Member States paid all their assessed contributions on time and in full and the budget was fully implemented, the deficit was projected to be similar to that of 2024.

12. Member States had made a number of proposals to mitigate the liquidity crisis expected in 2023 owing to the return of unspent prior-year funds to Member States as credit. One proposal was that \$100 million of the credit be retained by the Organization and paid into the Working Capital Fund. Although that proposal would improve the liquidity situation, up to \$85 million would need to be borrowed from the accounts of closed peacekeeping missions every year from 2023 to 2026. Another proposal was that the credit be returned to Member States over a four-year period. If that proposal were implemented, borrowing from those missions' accounts would be required every year from 2024 to 2026, and would reach a maximum of \$270 million. The borrowing would exceed the net cash available in those accounts in 2025 and the gross cash available in 2026; as a result, the Organization would need to shut down, unless it introduced restrictions on spending. A further proposal was that the return to the Member States of \$100 million in credit be delayed until 2025. Under that proposal, however, borrowing from the accounts of closed missions would be needed every year from 2023 to 2026; the borrowing would exceed the net cash available in those accounts in 2024 and the gross cash in 2025 and 2026, and would reach a maximum of \$285 million.

13. Another proposal was that \$100 million in credit be retained by the Organization and paid into the Working Capital Fund, and that the credit be returned to Member States over four years; under that proposal, borrowing from closed missions' accounts would be required only in 2025 and 2026, up to a maximum of \$77 million. A further proposal was that \$100 million in credit be retained for the Working Capital Fund and that the return to the Member States of a further \$100 million be delayed until 2025; under that scenario, borrowing from closed missions' accounts would be needed in 2025 and 2026, up to a maximum of \$88 million. Under the Secretary-General's proposal that \$200 million in credit be paid into the Working Capital Fund, no borrowing from closed missions' accounts would be needed from 2023 to 2026.

14. Taking no action to mitigate the effects of returning unspent funds to Member States would result in a liquidity crisis in 2023. The improvements made in the financial situation in 2021 would be negated by the

return of those funds. Liquidity was affected not only by the amount of contributions received but also by the timing of payments; delays in the payment of contributions between August and October, when the regular-budget cash balance was lowest, could affect the Organization's ability to operate. In such a scenario, the Secretariat would need to restrict spending at an early stage to avoid a crisis. All the proposals made by Member States to mitigate the crisis would require that the Organization borrow cash from the accounts of closed peacekeeping missions. Therefore, returning the cash from those accounts to the Member States, as recommended by the Advisory Committee, would put regular-budget operations at risk.

15. Hiring restrictions were the most effective way of reducing spending, but did not allow the Organization to react quickly to fluctuations in liquidity. They also affected mandate fulfilment and resulted in the return of unspent funds as credit, which further worsened the liquidity situation. The liquidity available for the implementation of the regular budget was inadequate, because assessed contributions were not paid in full or on time, and unpredictable, because payment patterns fluctuated during the year. Failure to pay contributions in full resulted in arrears, which reduced liquidity; late payment of contributions resulted in cash shortages during the year. The uncertainty resulting from constant fluctuations in payment patterns made it impossible for the Organization to plan its spending; the only solution was to stop recruitment or the conclusion of contracts, thereby preventing mandate fulfilment. The situation was a vicious circle in which a lack of liquidity hindered budget implementation, thereby resulting in unspent funds that must be returned to the Member States; the return of those funds worsened the liquidity situation. No organization as large or complex as the United Nations operated with so little working capital. Member States had a rare opportunity to finance the Organization's working capital without providing additional resources, because the liquidity crisis had created an opportunity in the form of the unspent prior-year funds. If the Member States did not take action, the Organization would be forced to impose hiring restrictions from early 2023, to the detriment of geographical representation, mandate implementation and staff morale.

**Agenda item 138: Programme budget for 2022**  
(continued)

*Revised estimates: addressing racism and promoting dignity for all in the United Nations Secretariat (A/76/7/Add.39 and A/76/771)*

16. **Ms. Pollard** (Under-Secretary-General for Management Strategy, Policy and Compliance), introducing the report of the Secretary-General on addressing racism and promoting dignity for all in the United Nations Secretariat (A/76/771), said that the report was based on the recommendations of the Task Force on Addressing Racism and Promoting Dignity for All in the United Nations, established by the Secretary-General in 2020 to oversee his campaign of dialogue and action against racism, assess staff perceptions of the extent of racism and racial discrimination in the Secretariat, guide the related awareness and action initiative, propose measures to promote diversity, equity and inclusion, and develop a strategic action plan for long-term organizational transformation. The Task Force aimed, through its recommendations, to address discrimination in all its forms in the Secretariat and bring about cultural change that would transform the United Nations into a dignified workplace for all, in which discrimination was actively addressed, staff were held accountable for racist conduct, everyone had an equal opportunity to participate in the Organization's work, and the Organization fully benefited from the diverse perspectives, skills and life experiences of its personnel.

17. Over the years, progress had been made in addressing prohibited conduct, and equitable geographical representation and diversity had been placed at the heart of the Organization's management reform agenda. Strategies had been implemented to enhance geographical diversity, gender parity and disability inclusion, and modest changes had been made to reflect the Organization's human diversity. The United Nations had recognized the prevalence of discrimination in societies and had helped Member States to develop legal instruments to mitigate its impact. Any form of discrimination, including racism, exclusion and marginalization, ran counter to the Charter of the United Nations and human decency. Discrimination had long-term negative consequences on staff health; it also limited imagination and innovation, undermined solidarity and commitment, and hampered the fulfilment of mandates. Since 2020, institutions with multicultural workforces had been addressing discrimination in their workplaces. As one of the most multiculturally diverse organizations in the world, responsible for promoting a dignified life for all, the United Nations could not be left behind in the effort to

ensure diversity, equity and inclusion in its global workforce; it should take the lead in addressing discrimination in a sustained manner.

18. The action plan constituted a solid foundation for the coordinated, transparent, deliberate, systematic and progressive harmonization, over a 24-month period, of efforts to address discrimination, attain equitable geographical representation and make the desired cultural transformation, including through the improvement of multicultural and multilingual representation. Discrimination, including racial discrimination, could not be addressed in the Organization on a one-time basis. To send a strong message in support of sustainable efforts to address racism and racial discrimination, an office of diversity, equity and inclusion must be established, and other post and non-post resources must be provided across three budget sections, in order to ensure that dedicated oversight capacity was available to coordinate, monitor, advocate, mainstream, implement and sustain long-term efforts to attain and maintain equitable geographical representation, diversity, equity and inclusion at all levels, and address all forms of discrimination. In his report, the Secretary-General proposed an additional appropriation for 2022 of \$2,175,200, net of staff assessment, and the establishment of 16 new posts with effect from 1 July 2022. Additional requirements for 2023 had been included in the respective sections of the proposed programme budget for 2023, for consideration by the Committee at the main part of the seventy-seventh session.

19. **Ms. Gaspar Ruas** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/76/7/Add.39), said that the Advisory Committee noted the long-standing efforts by the United Nations to combat racism and racial discrimination, welcomed the strengthening of those efforts, and supported initiatives aimed at eliminating racism and racial discrimination. Upon enquiry, the Advisory Committee had been informed of the results of the 2020 and 2021 surveys administered by the Secretariat on racism; it was of the view that further surveys, based on broader data sources and analysis, and further consultations with United Nations system entities were necessary to comprehensively address and curtail racism and racial discrimination. The Advisory Committee recommended that the General Assembly request the Secretary-General to refine the strategic action plan, in cooperation with those entities, in his next report for consideration by the General Assembly.

20. Since the scope of the proposed office of diversity, equity and inclusion went beyond racism and racial

discrimination, and the proposal did not take into account the fact that existing capacities in the Secretariat were performing related functions, the Advisory Committee was of the view that the establishment of the office was not fully justified and recommended against it. The Advisory Committee trusted that the Secretariat would clarify the office's scope and reporting lines, and address the potential duplication of existing resources. Taking into account those observations, including the need for more comprehensive data and analysis, and for a refined strategic action plan, the Advisory Committee was of the view that the proposal should be enhanced to include a complete overview of related matters, such as the applicable Staff Regulations and Rules of the United Nations; the intersection with such human resources matters as recruitment and disciplinary cases; collaboration with United Nations system entities; the overall related financial resources, existing and proposed; and the most appropriate funding source.

21. In order to support efforts to combat racism and racial discrimination, and to refine the proposal and the strategic action plan in consultation with the proposed special adviser on addressing racism and promoting dignity for all in the United Nations Secretariat, for submission to the General Assembly at the main part of its seventy-eighth session, the Committee recommended the approval of eight general temporary assistance positions for 18 months from 1 July 2022. The Advisory Committee also recommended that the proposed resources be reduced by \$205,100 under contractual services and \$125,100 under consultants and consulting services.

22. **Ms. Majeed** (Pakistan), speaking on behalf of the Group of 77 and China, said that the Group condemned racism in all its forms and manifestations. The prohibition of racial discrimination was enshrined in all the core international human rights instruments, and the denial or violation of the principle of equal rights ran counter to the Charter of the United Nations and the Universal Declaration of Human Rights. Although the Group welcomed the Secretary General's efforts to root out racism, including systemic racism, within the Organization, including through engagement with staff, it was concerned about the findings of the staff surveys administered by the Secretariat, particularly the finding that the Staff Regulations and Rules of the United Nations could be applied unfairly on the basis of race, nationality or ethnic background.

23. In order to achieve equitable geographical distribution, which was enshrined in the Charter, systemic racial discrimination in the United Nations system must be addressed. The Group looked forward to

the implementation of the Secretary-General's proposals as soon as possible. The issue must be addressed urgently, as any delay would perpetuate discrimination in the recruitment and promotion processes. Racism must be addressed in the interest of mandate fulfilment and to set an example for public, private and non-governmental organizations, and other entities.

24. **Mr. Elmahs** (Egypt), speaking on behalf of the Group of African States, said that combating racism was of particular significance to the Group, as the African people knew better than anyone the painful and humiliating effect of the scourge of racism in all its manifestations. The notion that all human beings were born free and equal in dignity and rights, and had equal potential to contribute constructively to development and well-being, was deeply embedded in the collective African worldview. Since the establishment of the United Nations, the African Member States had been determined and unequivocal in combating racism, racial discrimination, xenophobia and related intolerance. The Group welcomed recent milestones in that regard, namely, the twentieth anniversary of the Durban Declaration and Programme of Action, the announcement of the International Decade for People of African Descent and the establishment of the Permanent Forum of People of African Descent.

25. The Group welcomed the establishment by the Secretary-General of the Task Force on Addressing Racism and Promoting Dignity for All in the United Nations, but was concerned by the results of the first survey conducted by the Task Force. In the 84,000 comments received on the nine dimensions into which the survey had been categorized, the most negative views had related to the application of human resources regulations and rules, and to recruitment practices. In eight dimensions, persons of African descent had been the most marginalized. Those data proved the legitimacy of the Group's long-standing position on human resources management and its advocacy of equitable geographical representation, the aim of which was to end racism and enable fair treatment for all in the Secretariat.

26. The Group would engage with all other delegations to ensure that the deliberations on the proposal before the Committee were fruitful. To that end, it was essential to coordinate with the Intergovernmental Working Group on the Effective Implementation of the Durban Declaration and Programme of Action and engage with the Group of Independent Eminent Experts on the Implementation of the Durban Declaration and Programme of Action. The conclusions of the Joint Inspection Unit on measures and mechanisms to address racism and racial

discrimination in the United Nations system could guide the Committee's work. Impartiality must be ensured, and potential racism and discriminatory behaviour must be combated, through a review of the policies and practices of the Organization, for example in relation to human resources management, including rosters of candidates for Secretariat posts.

27. In making his statement in three of the official languages of the African Union, he aimed to manifest the diverse African cultural mosaic that would always stand in a spirit of openness against the darkness of racism. The Group would work within the Group of 77 and China and with all delegations to ensure that the United Nations had an effective policy of zero tolerance for racism.

*Programme budget implications relating to the  
programme budget for 2022 (continued)*  
(A/C.5/76/L.30)

*Draft decision A/C.5/76/L.30: Intergovernmental  
conference on an international legally binding  
instrument under the United Nations Convention on  
the Law of the Sea on the conservation and  
sustainable use of marine biological diversity of  
areas beyond national jurisdiction*

28. Draft decision A/C.5/76/L.30 was adopted.

*The meeting rose at 11.10 a.m.*