



## **Financial situation of the United Nations**

### **Statement**

**by**

**Chandramouli Ramanathan, Assistant Secretary-General, Controller**

**Management Strategy, Policy and Compliance**

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Madam Chair, Distinguished delegates,

I thank you for this opportunity to present the current financial situation of the United Nations on behalf of Ms. Catherine Pollard, Under-Secretary-General, who could not be here due to a scheduling conflict.

As has become necessary, the Secretary-General continues to actively engage with Member States on the liquidity situation of the Organization and today I will update you on the results of those interactions.

I will first focus on the regular budget, then the financial situation of peacekeeping operations and finally the international tribunals. The cut-off date for today's presentation is 30 April, but I will update you on developments in recent days as well. The presentation and my statement will be made available on the website of the Fifth Committee.

#### Regular budget

As you can see from **Chart 1**, monthly regular budget collections continue to fluctuate significantly each year, making it difficult to safely commit funds in time for implementing the budget efficiently or effectively.

The first quarter collections were 42% in 2023, then increased to 52% in 2024 and dropped again to 40% in 2025 – the lowest quarterly collections in last seven years. By the end of the second quarter, collections were 58% in 2023 and 76.1% in 2024. Final collections in 2023 and 2024 were 82% and 103% respectively.

In the last quarter of 2024, we collected \$798 million compared to \$548 million during the same period in 2023. Due to shifts in intra-year payments, we were forced to borrow from the Working Capital Fund and the Special Account, as well as closed tribunals. We nearly ran out of cash before large collections were received in December.

In 2025, at the end of April, collections were trailing our estimate by \$67 million. We collected 50.5% by the end of April, also the lowest over the last seven years. In previous years where arrears were high, collections at the beginning of the year tended to be higher. However, this year we have only collected \$32 million toward arrears.

As we have said on several occasions in recent years, predictability in the timing and amount of collections is critical for managing the Organization's cash outflows and planning spending properly and safely without risk of payment default. We, therefore, appeal to Member States to commit to paying earlier and to communicate their plans for payment as early as possible. The more confident we can be about collections; the greater will be our ability to commit funds when we need them for programme delivery.

As shown in **Chart 2**, stringent cash conservation measures were effective during the last few years in reducing the risk of a disruption in operations. These measures have resulted in the regular budget cash deficit occurring later in the year. The first borrowing occurred in July in 2019, September in 2020, November in 2021 and August in 2023. Last year, we borrowed from the Working Capital Fund in September.

In 2024, to execute the budget in full and end the year with our reserves fully replenished, we would have needed to collect 115 per cent of the assessments, including arrears, a target we had not accomplished in recent times. Therefore, cash needed to be conserved by both reducing and slowing down expenditures. Heads of Entities were provided maximum autonomy in managing their post and non-post budgets but within financial ceilings smaller than their approved budgets. Each department/entity tried its best to minimize the negative impact on mandate delivery within these constraints. Despite the spending restrictions, we had to borrow from the reserves, from the Working Capital Fund in September, from the Special Account in October and from the closed tribunals in November and December. The total borrowing reached a new record of \$607 million. Had the General Assembly not approved the increase of the Working Capital Fund and the use of the surplus cash of closed tribunals, the liquidity situation would have been very dire, forcing even more aggressive spending restrictions. Eventually, large collections received late in December allowed us to replenish some of our liquidity reserves and avert a bigger liquidity crisis in 2025.

**Chart 3** shows the cash balances at 31 December 2023 and 2024, and at 30 April 2024 and 2025. Despite starting 2023 with a regular budget cash surplus, we ended 2023 with the worst financial situation in decades with a cash deficit of over \$400 million and we therefore started 2024 with very little of our liquidity reserves. Although 2024 ended with better collections than anticipated due to payment of arrears, we still could not spend the budget in full or replenish all liquidity reserves because of the late and uncertain collections. In the end, we were not able to spend about \$255 million of the budget and still ended with a cash deficit of \$135 million.

So far in 2025, collections have trailed estimates. We are targeting a spending reduction of approximately \$600 million until we have certainty that we will have enough cash to meet our obligations through December.

**Chart 4** summarizes the status of regular budget assessments at the end of December in 2023 and 2024, and at the end of April in 2024 and 2025. We began 2024 with unpaid assessments of \$859 million. Assessments of \$3.2 billion were issued during the year. We collected \$3.3 billion in 2024 compared to almost \$2.5 billion received in 2023, bringing down the year-end unpaid assessments to \$760 million.

For 2025, almost \$3.5 billion was assessed, \$276 million more than in 2024. Payments received by 30 April 2025 totaled \$1.8 billion, including \$32.3 million for prior period arrears, resulting in an unpaid contribution of \$2.4 billion, compared to \$1.7 billion at the same time in 2024. The collections through the end of April, as a percentage of assessment, are the lowest in the last seven years.

As seen in **Chart 5**, 152 Member States had paid their regular budget assessments in full by the end of 2024, ten more than at the end of 2023. By the end of April this year, 101 Member States had paid in full, four fewer than the same time last year.

I would like to thank the 152 Member States listed in **Chart 6** who paid in full their contributions for 2024.

**Chart 7a** lists the 49 Member States on the 2025 Honour Roll that paid their regular budget assessments in full within the 30-day period specified in Financial Regulation 3.5. My special thanks to these 49 Member States for paying their assessments in full and on time. The number on the Honour Roll was 51 in 2024.

We appreciate the efforts of Member States to make advance payments and **Chart 7b** lists the 12 Member States that made advance payments to the 2025 regular budget. We stand ready to provide estimates for any Member State that is interested in making an advance payment.

Moving on to **Chart 8**, by 30 April 2025, 101 Member States had paid their assessments to the regular budget in full. I would note that since the cut-off date, Indonesia, Israel and Somalia have paid their regular budget assessments in full. I would like to thank all 104 Member States.

**Chart 9** provides an overview of the unpaid regular budget assessments as of 30 April 2025, indicating the largest contributions outstanding.

#### Peacekeeping operations

As you know, peacekeeping has a different financial period from the regular budget, running from 1 July to 30 June rather than the calendar year.

As seen in **Chart 10**, assessments of \$5.2 billion had been issued and \$4.6 billion have been received by the end of April 2025, resulting in an overall outstanding amount of

\$2.7 billion which also includes prior period arrears. The actions taken by Member States in the next two months will determine the final situation of the current fiscal year.

**Chart 11** provides an overview of unpaid assessments broken down by individual active peacekeeping operations. As seen in the chart, the \$2.7 billion outstanding at 30 April comprises \$2.2 billion owed for active missions and \$485.4 million for closed missions. For active missions, out of \$2.2 billion, \$1.8 billion relates to the current fiscal year while \$374.9 million relates to assessments in prior fiscal periods.

**Chart 12** presents the status of assessed contributions for active peacekeeping operations for each of the past eleven financial periods and the current fiscal year. This shows a worrisome trend as unpaid assessments have not gone down despite declining peacekeeping assessments. With less than two months remaining in the current fiscal year, the unpaid contribution to assessment percentage is 42.1%. In order to avoid ending the year in a worse financial position than last year, a minimum of about \$850 million is needed.

Without the prompt and decisive action of Member States to address the historical unpredictability and delays in the receipt of assessed contributions, peacekeeping missions will be unable to effectively implement their mandates. It is therefore crucial that Member States meet their financial obligations in full and on time for this situation to be addressed.

As shown in **Chart 13**, by 31 December 2024, 71 Member States had paid all peacekeeping assessments that were due and payable. This was 21 more compared to 31 December 2023. I thank the Member States listed in Chart 13.

**Chart 14** shows the list of the 63 Member States who had paid all peacekeeping assessments due and payable by 30 April 2025, 16 more than the same date last year. I would note that since the cut-off date, Bulgaria and Somalia have paid their peacekeeping assessments in full. I would like to thank these 65 Member States for their efforts.

**Chart 15** shows the breakdown of unpaid peacekeeping assessments as of 30 April 2025. I would also like to point out that the Russian Federation had made a deposit against their contributions payable for peacekeeping operations in late 2024 in a local UN account as they did earlier, but the bank has not yet been able to transfer this amount to the UN bank account in New York.

Before moving to the next chart, I would like you to recollect that, in its resolution 73/307, the General Assembly decided that the Secretary-General should issue assessment letters for peacekeeping operations for the full budget period, subject to the availability of rates of assessment for applicable years, including the period for which the mandate has not yet been approved by the Security Council, with the understanding that the 'advance' assessment will be considered due within 30 days of the effective date of the extension of the mandate. The absence of an approved scale for 2025 meant that assessments for the 2024/25 peacekeeping year could only be issued in July 2024 for the period up to 31 December 2024.

**Chart 16** shows the impact of this General Assembly decision. In July 2024, \$634 million was assessed for peacekeeping operations for the ‘non-mandated’ period through 31 December 2024. During 2024, although there was no approved scale of assessment for 2025, some Member States made payments based on provisional estimates. I would like to take this opportunity to thank Member States who reached out and made such advance payments based on provisional amounts. In January 2025, \$221 million was assessed for peacekeeping operations for the ‘non-mandated’ period, and the collections for January to April are shown in the chart.

The chart shows the amounts paid voluntarily by Member States against these assessments for ‘non-mandated’ periods for the past three fiscal years and the current period. Together with the General Assembly decision in resolution 73/307 to remove the restriction on cross-borrowing of cash for active missions, the assessment and collection for non-mandated periods has assisted with the overall liquidity which in turn has helped settle dues to troop/police contributing countries.

Since the adoption of resolution 73/307 in 2019, the non-mandated assessments have ranged between \$2.4 billion to \$2.8 billion with the exception of the 2021/22 and 2024/25 periods which were transition fiscal years as they were based on two different triennial scales. Advance collections between \$300 million and \$750 million were received against these non-mandated assessments.

**Chart 17** shows the status of peacekeeping cash over the last three years. As of 30 April 2025, the cash balance consisted of approximately \$1.3 billion in the accounts of active missions, closed missions, and the Peacekeeping Reserve Fund. As a mechanism to ease the liquidity problems, the General Assembly, in resolution 76/272, directed the use of the Peacekeeping Reserve Fund as the first choice for borrowing for active peacekeeping operations, retaining \$40 million to support new missions and the expansion of existing missions as originally intended for the Fund. The chart shows a decline in borrowings from the Peacekeeping Reserve Fund for the period between September 2023 to February 2024. Since March 2024, borrowing from the Peacekeeping Reserve Fund has again increased. The cash balances for June 2023 and June 2024 would have been lower had we paid for contingent-owned equipment when they became due. Consequently, the cash balances for July 2023 and July 2024 also appear higher than they would have been with such timely payments of dues to troop and police contributing countries.

As **Chart 18** shows, as of 30 April 2025, the liabilities to Member States for troops and formed police units have been settled in full while liabilities for contingent-owned equipment for active missions amount to \$150 million. The total liabilities for contingent-owned equipment amounted to \$30 million for closed peacekeeping missions, where these are pending settlement only because we are awaiting instructions from the respective Member States.

**Chart 19** shows the breakdown of payables to Member States for the \$150 million due for active peacekeeping operations at the end of April. The Secretary-General is committed to meeting obligations to Member States providing troops and equipment as expeditiously as possible, as the cash situation permits. I would like to reassure you that we monitor the peacekeeping cash flow situation continuously and attach high priority to

maximize the quarterly payments based on the available cash and data. To do so, we depend on Member States meeting their financial obligations in full and on time, and also on the expeditious finalization of MoUs with contingent-owned equipment contributors. During the past six budget periods, the General Assembly's decision to allow cash pooling among active peacekeeping operations has been instrumental in the earlier payment of dues to troop- and police-contributing countries than in the past.

### International Tribunals

Moving on to the International Tribunals, **Chart 20** provides details on the situation of the Tribunals. As seen in the chart, the total contribution outstanding for the Tribunals as of 30 April 2025 was \$79 million. This includes amounts outstanding for ICTR which was last assessed in 2016, for ICTY which was last assessed in 2018, and the most recent assessment for MICT in 2025.

**Chart 21** shows the overall situation as of 30 April 2025, where 79 Member States have paid their assessed contributions in full for all the Tribunals compared to 83 Member States at 30 April 2024. Since the cut-off date, Somalia and Ukraine have also paid their tribunal assessments in full. I would like to thank these 81 Member States for their financial support to the Tribunals and urge those Member States with pending assessments to complete their payments as soon as possible.

**Chart 22** provides the breakdown of unpaid tribunal assessments as of 30 April 2025.

Next, **Chart 23** shows the monthly position of the overall cash balances for the Tribunals since 2023. The final outcome for 2025 will depend on Member States continuing to honour their financial obligations to the Tribunals. In resolution 76/272, the General Assembly also decided that surplus cash in closed Tribunals can be used as a last resort for regular budget liquidity, if needed, from January 2023. This was helpful in reducing the liquidity constraints during 2023 and instrumental in reducing the impact on regular budget operations during 2024, especially when extra liquidity was needed in the final quarter of the year. Without the ability to use the surplus cash in closed Tribunals, the spending reduction target for 2025 would have been 20.6% (\$730 million) instead of 17% (\$600 million).

### Conclusion

In conclusion, **Chart 24** gives you an overview of the financial situation for all three categories of operations, as well as the evolution of the outstanding payments to troop/police contributing countries for peacekeeping operations.

**Chart 25** gives you the latest information on payments of assessments. As of today, 9 May 2025, 59 Member States have paid all assessments due and payable in full. On behalf of the Secretary-General, I would like to express my deep appreciation to these Member States.

As always, Madam Chair, the financial health of the Organization depends on Member States meeting their financial obligations in full and on time. The Secretariat continues to be fully committed to working with Member States towards achieving this objective. The Organization can only solve the liquidity crisis with the support of Member States - meeting their financial obligations in full and in a predictable and timely manner. The Secretary-General, in his report *A/79/734*, presented new proposals to address the ongoing liquidity situation, which are currently being considered in this session. Your previous decisions have increased the liquidity for regular budget and peacekeeping operations, but more is needed to prevent cyclical liquidity shortages.

Thank you.

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