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Financing of the United Nations Mission in Bosnia and Herzegovina

Financial performance report of the United Nations Mission in Bosnia and Herzegovina

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Mission in Bosnia and Herzegovina for the period from 1 July 2000 to 30 June 2001. The General Assembly, in its resolution 54/273 of 15 June 2000, appropriated an amount of \$158,707,667 gross (\$149,375,001 net) for the same period.

Expenditures for the period totalled \$146,219,000 gross (\$135,997,500 net), resulting in an unencumbered balance of \$12,488,667 gross (\$13,377,501 net).

The unencumbered balance resulted mainly from civilian personnel costs and operational requirements.

The action to be taken by the General Assembly in connection with the financing of the Mission is set out in paragraph 14.



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I. Introduction

1. By its resolution 1035 (1995) of 21 December 1995, the Security Council established a United Nations civilian police force to be known as the International Police Task Force, entrusted with the responsibilities set out in annex 11 to the General Framework Agreement for Peace in Bosnia and Herzegovina (the "Peace Agreement") (A/50/790-S/1995/1999), and a United Nations civilian office with the responsibilities set out in the report of the Secretary-General pursuant to Security Council resolution 1026 (1995) (S/1995/1031). That operation is referred to as the United Nations Mission in Bosnia and Herzegovina (UNMIBH).

2. The deployment of United Nations military observers to monitor the demilitarization of the Prevlaka peninsula was authorized by the Security Council in its resolution 779 (1992) of 6 October 1992. Although the United Nations Mission of Observers in Prevlaka (UNMOP) is an independent mission, for administrative and budgetary purposes it is treated as part of UNMIBH.

3. The budget for the maintenance of UNMIBH for the period from 1 July 2000 to 30 June 2001 amounted to \$153,588,000 gross (\$145,543,200 net) (see A/54/712). It provided for the maintenance of up to 28 military observers, 5 military liaison officers, 2,057 civilian police, 398 international staff, 1,438 locally recruited staff and 15 national officers. The Advisory Committee on Administrative and Budgetary Questions recommended that the requirements for the period from 1 July 2000 to 30 June 2001 not exceed \$150 million gross (A/54/841/Add.6, para. 4).

4. The General Assembly, in its resolution 54/273 of 15 June 2000, appropriated an amount of \$158,707,667 gross (\$149,375,001 net) for the maintenance of UNMIBH for the period from 1 July 2000 to 30 June 2001, inclusive of \$7,530,382 gross (\$6,372,279 net) for the support account for peacekeeping operations and \$1,177,285 gross (\$1,047,522 net) for the United Nations Logistics Base at Brindisi, Italy. That amount has been assessed on Member States.

II. Implementation of the budget

5. Information on UNMIBH activities and the situation on the ground during the period under review are contained in the reports of the Secretary-General to the Security Council dated 30 November 2000 (S/2000/1137) and 7 June 2001 (S/2001/571 and Corr.1).

6. Information on the situation in the area of responsibility of UNMOP during the period under review is contained in the reports of the Secretary-General to the Security Council dated 10 October 2000 (S/2000/976), 29 December 2000 (S/2000/1251), 11 April 2001 (S/2001/350) and 3 July 2001 (S/2001/661).

7. The UNMIBH concept of operations during the period under review was based on the development and execution of its mandate implementation plan, which is a consolidated mission-wide strategic framework for the completion of its core mandate by 31 December 2002. On the basis of annex 11 to the Peace Agreement and relevant Security Council resolutions, the mandate implementation plan aims to have professional and trained police officers working in efficient and democratic structures in a mutually supportive civic environment. The objectives of the plan include improving police competency and integrity, organizational capacity,

institutional integrity and cooperation between civilian police and the judiciary; fully establishing the State border service; enhancing cooperation among law enforcement institutions; and increasing police and public awareness of their respective rights, duties, and role as members of the international community. Each objective is to be achieved through a core programme that has several specific projects and timelines. The six core programmes for the mandate implementation plan include: police reform; police restructuring; police and criminal justice cooperation; institution-building and inter-police force cooperation; public awareness; and the building of support for the participation of Bosnia and Herzegovina in the United Nations system. Information on the progress of the plan during the period under review is contained in the reports mentioned in paragraph 5 above. Throughout this process, UNMIBH has established a clear focus for the fulfilment of the core mandate and has achieved an efficient mechanism for the management of internal resources.

8. The unencumbered balance of some \$12.5 million was attributable primarily to higher vacancy rates for civilian police and international staff than were originally estimated, the recruitment of international staff at lower levels than budgeted and reduced operational requirements. While the budget included the application of a vacancy factor of 10 per cent for international staff and 5 per cent for civilian police, the actual vacancy rate during the period averaged 14 per cent in both categories.

9. Unutilized resources under operational requirements resulted from the termination of 16 lease contracts for International Police Task Force stations and reduced requirements under premises, infrastructure repairs, communications, other equipment and air and surface freight.

10. These underexpenditures were offset by additional requirements for staff assessment attributable to the higher salary scales applicable in the mission area effective July 2000 and the lower average vacancy rate of 3 per cent for local staff (compared with the 5 per cent budgeted).

11. Pursuant to paragraph 17 of General Assembly resolution 54/273, the safety and security of personnel under the auspices of the United Nations participating in the Mission remained a high priority. The breakdown of expenditures incurred for staff security are shown in table 1.

Table 1
Expenditures for staff security

(Thousands of United States dollars)

<i>Item</i>	<i>Expenditure</i>
International security personnel	2 281.1
Local security personnel	1 436.7
Protective vehicles	803.0
Equipment	51.0
Supplies and services	142.0
Total	4 713.8

III. Financial performance report for the period from 1 July 2000 to 30 June 2001

12. As indicated in table 2, from the appropriation of \$158,707,667 gross (\$149,375,001 net) for the period from 1 July 2000 to 30 June 2001, expenditures amounted to \$146,219,000 gross (\$135,997,500 net), inclusive of \$8,580,200 in unliquidated obligations. The resulting unspent balance of \$12,488,667 gross (\$13,377,501 net) represents in gross terms some 8 per cent of the amount appropriated. Annex I contains the financial performance information for the reporting period by budget line item. Supplementary information on significant variances is presented in annex II. Annex III contains information on planned and actual deployment of military and civilian personnel during the period under review. Annex IV contains a chart showing apportionment and expenditure by main budget group.

Table 2
Apportionment and expenditure
(Thousands of United States dollars)

<i>Category of expenditure</i>	<i>Apportionment</i>	<i>Expenditure ^a</i>	<i>Variance</i>
Military personnel	1 825.4	1 754.0	71.4
Civilian personnel	114 695.1	104 747.3	9 947.8
Operational requirements	24 962.5	21 458.7	3 503.8
Other programmes ^b	472.2	617.7	(145.5)
United Nations Logistics Base at Brindisi	1 047.5	1 047.5	-
Support account for peacekeeping operations	6 372.3	6 372.3	-
Staff assessment	9 332.7	10 221.5	(888.8)
Gross requirements	158 707.7	146 219.0	12 488.7
Income from staff assessment	(9 332.7)	(10 221.5)	888.8
Net requirements	149 375.0	135 997.5	13 377.5
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	158 707.7	146 219.0	12 488.7

^a Includes an amount of \$8,580,000 in unliquidated obligations.

^b Excludes personnel.

13. Information on the deployment of military and civilian personnel during the reporting period is given in table 3 and annex III.

Table 3

Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 2000 to 30 June 2001

<i>Personnel category</i>	<i>Authorized strength</i>	<i>Actual strength (average)</i>	<i>Vacancy rate (percentage)</i>
Military observers	33	31	8
Military contingents	-	-	-
Civilian police	2 057	1 770	14
International staff	398	341	14
National officers	15	11	30
Local staff	1 438	1 393	3
United Nations Volunteers	-	-	-

IV. Action to be taken by the General Assembly at its fifty-sixth session

14. The action to be taken by the General Assembly in connection with the financing of UNMIBH, including UNMOP, is as follows:

(a) To decide on the treatment of the unencumbered balance of \$12,488,667 gross (\$13,377,501 net) for the period from 1 July 2000 to 30 June 2001;

(b) To decide on the treatment of other income for the period from 1 July 2000 to 30 June 2001 amounting to \$5,580,000 from interest income (\$1,941,000), other/miscellaneous income (\$2,086,000) and savings on or cancellation of prior period obligations (\$1,553,000).

Annex I

Financial performance report for the period from 1 July 2000 to 30 June 2001: summary statement

(Thousands of United States dollars)

	(1)	(2)	(3)	(4)=(1-3)
<i>Category of expenditure</i>	<i>Apportionment^a</i>	<i>Non-recurrent expenditures</i>	<i>Total expenditures (inclusive of non-recurrent expenditures)</i>	<i>Variance</i>
I. Military personnel				
1. Military observers	1 025.4	-	954.0	71.4
2. Military contingents	-	-	-	-
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	-	-	-	-
(b) Self-sustainment	-	-	-	-
(c) Death and disability compensation	800.0	-	800.0	-
Subtotal, line 3	800.0	-	800.0	-
Total, category I	1 825.4	-	1 754.0	71.4
II. Civilian personnel				
1. Civilian police	58 182.3	-	52 478.1	5 704.2
2. International and local staff	56 512.8	-	52 269.2	4 243.6
3. United Nations Volunteers	-	-	-	-
4. Government-provided personnel	-	-	-	-
5. Civilian electoral observers	-	-	-	-
Total, category II	114 695.1	-	104 747.3	9 947.8
III. Operational requirements				
1. Premises/accommodation	3 562.0	299.7	2 450.4	1 111.6
2. Infrastructure repairs	100.0	46.7	46.7	53.3
3. Transport operations	6 964.6	2 933.9	6 383.1	581.5
4. Air operations	2 788.3	-	2 538.4	249.9
5. Naval operations	-	-	-	-
6. Communications	5 431.5	2 325.2	4 500.9	930.6
7. Other equipment	2 290.4	1 546.8	1 755.7	534.7
8. Supplies and services	3 675.7	-	3 741.4	(65.7)

	(1)	(2)	(3)	(4) = (1-3)
<i>Category of expenditure</i>	<i>Apportionment^a</i>	<i>Non-recurrent expenditures</i>	<i>Total expenditures (inclusive of non-recurrent expenditures)</i>	<i>Variance</i>
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	-	-
(b) Commercial freight and cartage	150.0	-	42.1	107.9
Subtotal, line 9	150.0	-	42.1	107.9
Total, category III	24 962.5	7 152.3	21 458.7	3 503.8
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	273.5	50.2	261.4	12.1
3. Training programmes	198.7	-	356.3	(157.6)
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	472.2	50.2	617.7	(145.5)
V. United Nations Logistics Base at Brindisi	1 047.5	-	1 047.5	-
VI. Support account for peacekeeping operations	6 372.3	-	6 372.3	-
VII. Staff assessment	9 332.7	-	10 221.5	(888.8)
Gross requirements, categories I-VII	158 707.7	7 202.5	146 219.0	12 488.7
VIII. Income from staff assessment	(9 332.7)	-	(10 221.5)	888.8
Net requirements, categories I-VIII	149 375.0	7 202.5	135 997.5	13 377.5
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total, categories I-X	158 707.7	7 202.5	146 219.0	12 488.7
<i>Amount</i>				
IX. Other income/adjustments				
Interest income				1 941.0
Other/miscellaneous income				2 086.0
Voluntary contributions in cash				-
Prior period adjustments				-
Savings on or cancellation of prior period obligations				1 553.0
Total, category XI				5 580.0

^a Based on appropriation provided in General Assembly resolution 54/273.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: \$1,825,400; expenditure: \$1,754,000; variance: \$71,400

1. The unutilized balance of \$71,400 under this heading was attributable mainly to lower requirements for mission subsistence allowance owing to the average vacancy rate of 8 per cent for military observers (the budget did not take into account any vacancy factor). However, the unutilized balance for this item was offset in part by additional requirements for rotation costs that averaged \$1,445 per trip, compared with the budgeted amount of \$1,150 per trip. Travel expenditures included accompanied excess baggage costs that were not waived by the airlines, as in previous years.

Civilian personnel

Apportionment: \$114,695,100; expenditure: \$104,747,300; variance: \$9,947,800

2. The unutilized balance of \$9,947,800 under this heading resulted from reduced requirements for civilian police (\$5,704,200) and international and local staff (\$4,243,600).

Civilian police

Apportionment: \$58,182,300; expenditure: \$52,478,100; variance: \$5,704,200

3. The unspent balance of \$5,704,200 under this heading resulted primarily from the higher actual vacancy rate of 14 per cent for civilian police compared with 5 per cent applied in the budget, resulting in unspent amounts under mission subsistence allowance, travel and clothing and equipment allowance. The higher vacancy rate was attributable to the significant deployment of civilian police, without replacement, to peacekeeping operations such as the United Nations Interim Administration Mission in Kosovo and the United Nations Transitional Administration Mission in East Timor in previous periods and the period under review. The higher vacancy rate also resulted in fewer rotations than budgeted. Actual travel costs averaged \$1,071 per trip, compared with \$1,150 applied in the budget. Lower expenditures under clothing and equipment allowance were due to the rotation of a significant number of civilian police out of UNMIBH prior to the completion of their first year, as the second instalment of clothing and equipment allowance was not paid.

International and local staff

Apportionment: \$56,512,800; expenditure: \$52,269,200; variance: \$4,243,600

4. The unutilized balance of \$4,243,600 under international and local staff costs was attributable to higher vacancy rates for international staff and to the recruitment of international staff at lower levels than budgeted. The actual vacancy rate for international staff averaged 14 per cent against the budgeted rate of 10 per cent. This

was due in part to vacancies arising in connection with the termination of 18 international posts and 8 national posts under the Judicial System Assessment Programme in December 2000. In addition, seven international staff were deployed, without replacement, to other operations as shown below:

United Nations Transitional Administration Mission in East Timor	2
United Nations Mission in Ethiopia and Eritrea	1
United Nations Mission in Sierra Leone	1
United Nations Disengagement Observer Force	1
United Nations Office of the Humanitarian Coordinator in Iraq	1
United Nations Peacekeeping Force in Cyprus	1
Total	7

Operational requirements

Apportionment: \$24,962,500; expenditure: \$21,458,700; variance: \$3,503,800

5. The unutilized balance of \$3,503,800 under this heading resulted from reduced requirements totalling \$3,569,500 under premises/accommodation (\$1,111,600), infrastructure repairs (\$53,300), transport operations (\$581,500), air operations (\$249,900) communications (\$930,600), other equipment (\$534,700) and air and surface freight (\$107,900), which were offset in part by additional requirements under supplies and services (\$65,700).

Premises/accommodation

Apportionment: \$3,562,000; expenditure: \$2,450,400; variance: \$1,111,600

6. The unspent balance of \$1,111,600 under this heading resulted mainly from reduced requirements under rental of premises and utilities, which were attributable to the termination of lease contracts for 16 International Police Task Force (IPTF) stations. This resulted from the co-location of IPTF personnel to existing local police stations, the merger of IPTF stations where operationally feasible and cost-effective and the closure of IPTF stations in areas where the Police Commissioner and the UNMIBH Administration decided to discontinue operations. In addition, renovations to the Nedzarici dormitory at the University of Sarajevo to house UNMIBH headquarters were completed in June 2000. UNMIBH headquarters were previously scattered among five locations in Sarajevo. The complete occupation of the United Nations House during the period under review therefore resulted in savings under utilities and maintenance costs.

Infrastructure repairs

Apportionment: \$100,000; expenditure: \$46,700; variance: \$53,300

7. The savings of \$53,300 were due primarily to the use of materials from existing stock for surfacing the helipad in lieu of purchasing new asphalt or concrete surfacing, as provided for in the budget.

Transport operations

Apportionment: \$6,964,600; expenditure: \$6,383,100; variance: \$581,500

8. The unutilized balance of \$581,500 under this heading resulted primarily from the lower actual cost for purchasing vehicles and reduced insurance premiums. In addition, there were reduced requirements under rental of vehicles owing to the provision of local transport by the current fleet.

Air operations

Apportionment: \$2,788,300; expenditure: \$2,538,400; variance: \$249,900

9. The unutilized balance of \$249,900 under this heading was attributable to reduced requirements under helicopter operations (\$112,800) and other air operations (\$224,500), which were offset in part by additional requirements under fixed-wing aircraft (\$49,500) and aircrew subsistence allowance (\$37,900).

10. The unspent amount of \$112,800 under helicopter operations resulted from lower average monthly flight hours owing to the cancellation of flights as a result of unfavourable weather conditions and inadequate justification of flight requests. Savings of \$224,500 under other air operations were realized as UNMIBH remained exempt from landing and ground charges and air traffic control services since Sarajevo airport remained under the control of the multinational Stabilization Force.

11. The unutilized amounts were offset in part by additional requirements under fixed-wing operations owing to the higher cost of fuel (\$0.43 per litre) compared with the budgeted cost (\$0.29 per litre). In addition, although the charges in the previous helicopter agreement were inclusive of aircrew subsistence allowance the new agreement, effective December 2000, did not provide for aircrew subsistence allowance, resulting in a separate payment by UNMIBH.

Communications

Apportionment: \$5,431,500; expenditure: \$4,500,900; variance: \$930,600

12. The unutilized balance of \$930,600 under this heading was attributable primarily to reduced requirements under communications equipment as a result of the consolidation of UNMIBH offices at the United Nations House. In addition, the decision of the Stabilization Force to discontinue utilizing the UNMIBH communications network at the beginning of 2001 resulted in the redeployment of equipment to UNMIBH sites, further reducing the need for spare parts and supplies.

Other equipment

Apportionment: \$2,290,400; expenditure: \$1,755,700; variance: \$534,700

13. The unutilized balance of \$534,700 was attributable to the following factors: (a) reduced requirements under office and data-processing equipment owing to lower unit costs for items purchased than those originally budgeted; (b) reduced requirements under field defence stores owing to the elimination of two X-ray machines, nine metal detectors, weapons and weapon lockers as a result of the consolidation of UNMIBH offices at the United Nations House; and (c) reduced

requirements under spare parts, repairs and maintenance owing to the receipt of new equipment.

Supplies and services

Apportionment: \$3,675,700; expenditure: \$3,741,400; variance: (\$65,700)

14. Additional requirements under this heading were the net result of increased requirements totalling \$229,500 for miscellaneous services, partially offset by an unutilized balance of \$163,800 under miscellaneous supplies. Additional requirements under miscellaneous services were attributable largely to the following: (a) the introduction of new licences under data-processing services; (b) increased contract costs for security services in Tuzla; (c) the employment of local security officers on special service agreements at higher levels (GSL-2) than budgeted (GSL-1); (d) legal service fees rendered in connection with the helicopter accident of 17 September 1997; and (e) losses on currency exchange.

15. However, the additional requirements were partially offset by reduced requirements under miscellaneous supplies as a result of the termination of 16 lease contracts and office consolidation.

Air and surface freight

Apportionment: \$150,000; expenditure: \$42,100; variance: \$107,900

16. The unutilized balance of \$107,900 was attributable primarily to the minimal transfer of equipment from the United Nations Logistics Base at Brindisi and other missions.

Other programmes

Apportionment: \$472,200; expenditure: \$617,700; variance: (\$145,500)

17. The additional expenditure of \$145,500 was the net result of additional requirements in the amount of \$157,600 for training programmes, partially offset by an unutilized balance of \$12,100 for public information programmes.

Public information programmes

Apportionment: \$273,500; expenditure: \$261,400; variance: \$12,100

18. The unutilized balance of \$12,100 was due primarily to the fact that UNMIBH produced most of its radio and television programmes, thereby reducing the need for contractual services. During the reporting period a nationwide multimedia campaign was launched to reinforce the duties and responsibilities of the police and public in a democratic country.

Training programmes

Apportionment: \$198,700; expenditure: \$356,300; variance: (\$157,600)

19. Additional requirements under this heading were attributable primarily to the higher priority placed on the training of Mission personnel. This involved the participation of 73 Mission personnel in technical courses (communications, electronic data-processing, transport and movement control) and 98 personnel in administrative courses (personnel management, report writing and procurement). Training courses in communications and electronic data-processing provided personnel with the knowledge necessary to understand and identify the tasks involved in supporting the Mission's networks and its communications and information technology infrastructure. In addition, administrative courses enhanced management skills in the areas of communication and dialogue, delegation and feedback, training, recognition, motivation of staff and planning and implementing goals. Report writing courses also helped staff in the Mission to improve their writing skills. The training undertaken was particularly helpful.

20. Training programmes carried out during the period from 1 July 2000 to 30 June 2001 are detailed below:

<i>Description of training</i>	<i>Expenditure (United States dollars)</i>	<i>Number of persons trained</i>	<i>Venue</i>
Electronic data-processing training	44 672	15	United Nations Logistics Base at Brindisi
Electronic data-processing training	3 353	1	Brussels
Electronic data-processing training	8 722	18	Sarajevo
Electronic data-processing training	5 148	12	Zagreb
Communications training	52 839	16	United Nations Logistics Base at Brindisi
Transport training	5 537	3	United Nations Logistics Base at Brindisi
Movement control training	7 876	4	London
Movement control training	9 431	3	Geneva
Movement control training	5 955	1	Florida (United States of America)
Supervisory skill training	13 719	50	UNMIBH
Report writing	10 500	44	UNMIBH
Procurement training	2 644	1	London
Miscellaneous training	1 594	3	Budapest/Geneva
International Police Task Force selection team	184 310	44	Various countries
Total	356 300	215	

Staff assessment

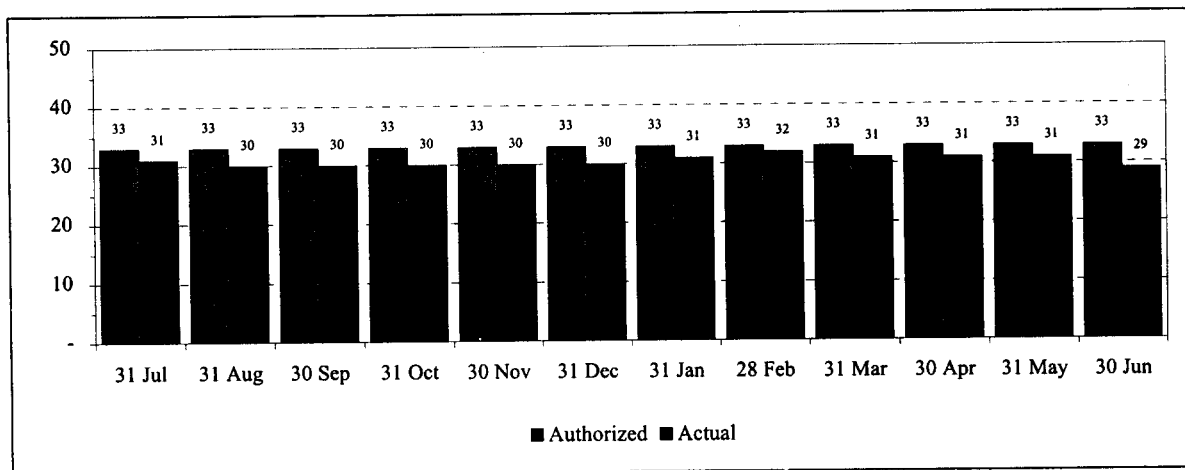
Apportionment: \$9,332,700; expenditure: \$10,221,500; variance: (\$888,800)

21. Additional requirements amounting to \$888,800 were due primarily to the increase in local salary scales applicable in the Mission effective July 2000 and the promotion of 61 local staff.

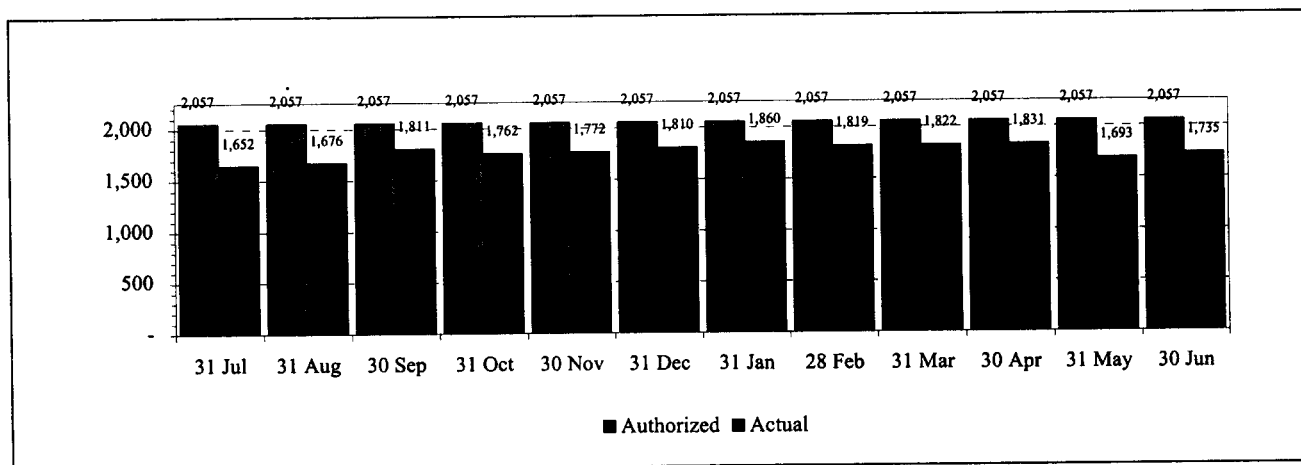
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 2000 to 30 June 2001

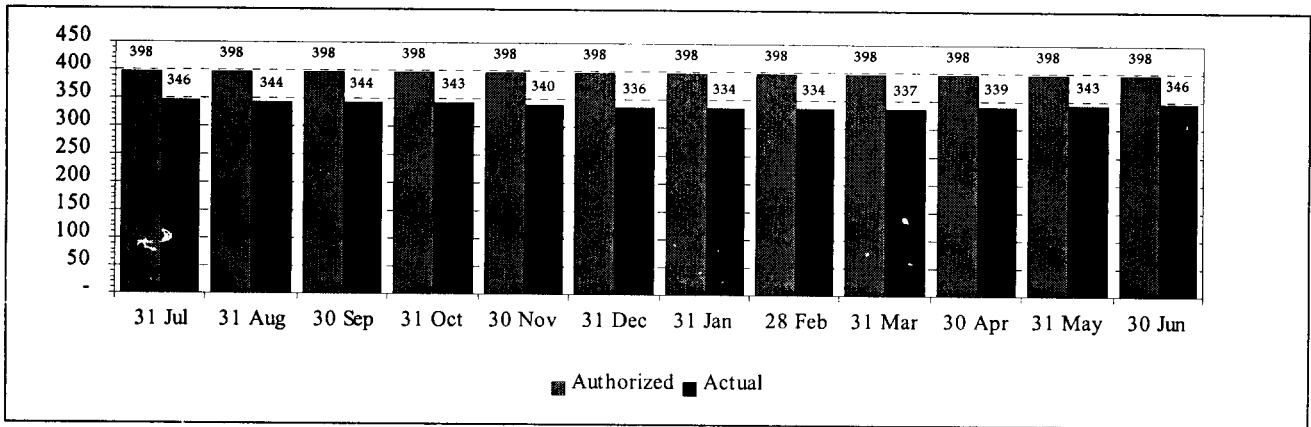
1. Military observers



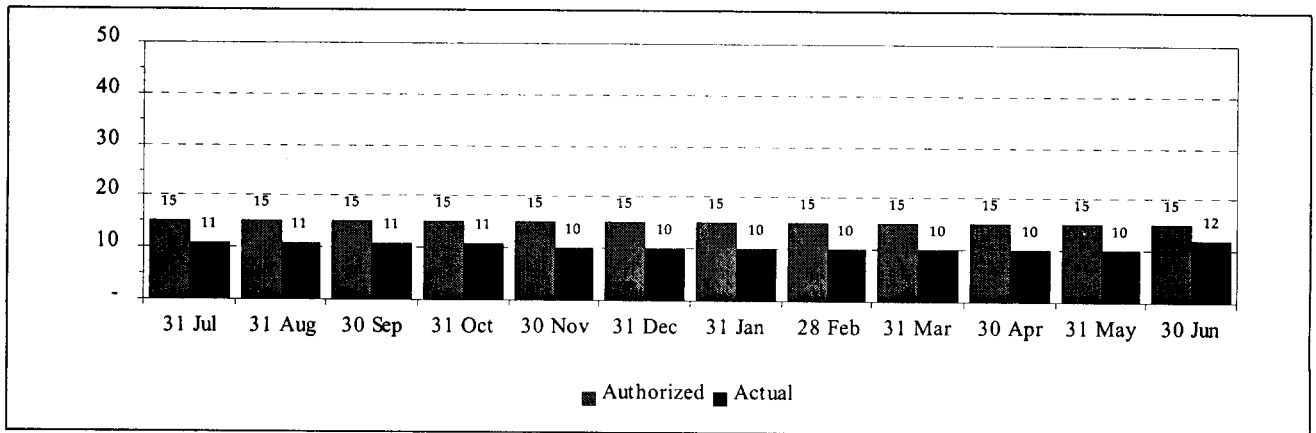
2. Civilian Police



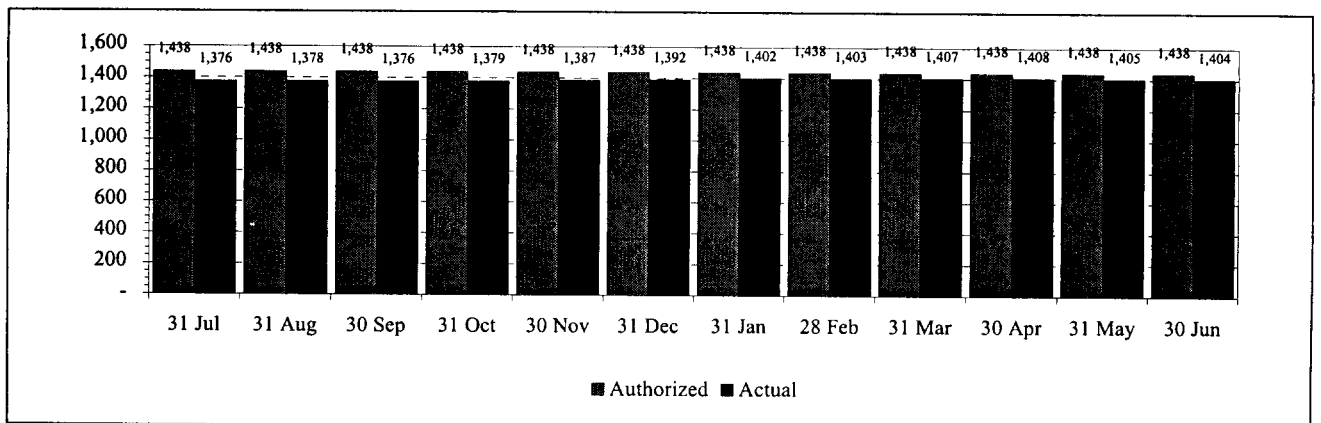
3. International staff



4. National officers



5. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 2000 to to 30 June 2001