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Financing of the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti

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Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the financial performance report of the Secretary-General on the United Nations Support Mission in Haiti (UNSMIH), the United Nations Transition Mission in Haiti (UNTMIH) and the United Nations Civilian Police Mission in Haiti (MIPONUH) for the period from 1 July 1997 to 30 June 1998 (A/53/769). The Committee has also considered the report of the Secretary-General on the proposed budget for the maintenance of MIPONUH for the period from 1 July 1999 to 30 November 2000 and its liquidation from 1 December 1999 to 30 June 2000 (A/53/789/Add.1). During its consideration of the reports, the Committee met with the representatives of the Secretary-General, who provided additional information.

2. The Committee exchanged views on the quality of the performance report with representatives of the Secretary-General and concluded that there was a need to improve further the monitoring of the budget implementation to make it possible to give satisfactory explanations for expenditure variances. In the opinion of the Committee, there is also a

need to indicate clearly how performance results are reflected as appropriate in subsequent budget estimates. This is not clear from either the performance report (A/53/769), the revised estimates for the current period (see A/53/789) or the proposed budget for the period from 1 July 1999 to 30 June 2000 (A/53/789/Add.1). The report of the Committee on the revised estimates for the current period is contained in document A/53/846.

Financial performance report for the United Nations Support Mission in Haiti, the United Nations Transition Mission in Haiti and the United Nations Civilian Police Mission in Haiti

3. Pursuant to Security Council resolution 1086 (1996), and on the basis of the report of the Secretary-General of 24 March 1997 (S/1997/244), the mandate of the United Nations Support Mission in Haiti was extended for the final time until 31 July 1997. Subsequently, by its resolution 1123 (1997) of 30 July 1997, the Security Council established the United Nations Transition Mission in Haiti for a single four-month period ending on 30 November 1997 and, in its resolution

1141 (1997) of 28 November 1997, the Council established the United Nations Civilian Police Mission in Haiti, with a mandate limited to a single one-year period ending on 30 November 1998.

4. In its resolutions 51/15 B of 13 June 1997 and 52/246 of 26 June 1998, the General Assembly appropriated a total amount of \$28,318,900 gross (\$27,080,900 net) for the maintenance of UNSMIH, UNTMIH and MIPONUH for the period from 1 July 1997 to 30 June 1998; inclusive of budgeted voluntary contributions in kind totalling \$2 million for two medium-utility helicopters, the total budget for the peacekeeping operations in Haiti amounted to \$30,318,800 gross (\$29,080,800 net) for the period from 1 July 1997 to 30 June 1998 (A/53/769, paras. 4–6).

5. Expenditures for the period from 1 July 1997 to 30 June 1998 amounted to \$27,412,100 gross (\$26,215,700 net) excluding budgeted voluntary contributions estimated at \$2 million, resulting in an unencumbered balance of \$906,800 gross (\$865,200 net) or about 3 per cent of the appropriation. As shown in annex I to the report of the Secretary-General (A/53/769), the unencumbered balance resulted mainly from lower staff and operational costs, including premises/accommodation, transport operations, communications and supplies and services, as well as public information programmes. The Committee was provided with a detailed breakdown of the various expenditure categories shown in annex I to the report.

6. Underexpenditure of \$536,900 under civilian personnel costs was due to reduced requirements under international and local staff (\$327,300) and United Nations Volunteers (\$295,700), which were partially offset by additional requirements for civilian police (\$86,100) (see A/53/769, annex I). The reasons for these variances were not clearly explained in the report. Additional information provided to the Committee shows that underexpenditure of \$327,300 in international and local salaries resulted mainly from underexpenditures in common staff costs (\$256,200), due to lower entitlement of mission appointees and vacancy rates, and underexpenditure in local salaries (\$186,400), as provisions in the revised estimates were calculated for the first six months on a gross basis rather than on a net basis. These were offset by overexpenditure in international staff salaries for non-headquarters staff, amounting to \$120,800 during the period from July to December 1998.

7. The Committee notes from the additional information provided to it that several items of expenditure for the Representative of the Secretary-General appear to have incurred unexplained cost over-runs, such as the rental of his residence (\$16,200), overtime payment to his driver (\$9,500)

and overexpenditure on the purchase of a vehicle at a cost higher than the standard cost (\$8,700). In the view of the Committee, these costs should have been budgeted for. Upon inquiry, the Committee was informed that the overexpenditure on the purchase of the vehicle resulted from authorization given for local procurement, as there were no suitable vehicles available for transfer from the United Nations Logistics Base at Brindisi or from other missions. Moreover, local procurement was considered more expeditious than Headquarters procurement, as the Procurement Division had to finalize the vehicle procurement contract, and the cost of the local purchase of the vehicle was within the Mission's delegation of authority.

8. As indicated in paragraph 7 of annex II to the report, there was an unutilized balance of \$355,400 under transport operations. The Committee was provided with additional information showing that underexpenditures in transport operations resulted mainly from savings in spare parts, repairs, maintenance (\$183,000), rental of vehicles (\$99,000), petrol, oil and lubricants (\$53,300) and vehicle insurance (\$28,800). Spare parts were salvaged from 194 vehicles that were written off and cannibalized, thus reducing the need to purchase spare parts. Underexpenditure for rental of vehicles resulted from funds not obligated to cover all requirements in this period. Savings in petrol, oil and lubricants resulted from lower utilization than initially planned, and underexpenditure in vehicle insurance resulted from having reported the insurance coverage for January–March 1998 in the expenditures for December 1997.

9. With regard to the treatment of the unencumbered balance of \$906,800 gross (\$865,200 net) for the period from 1 July 1997 to 30 June 1998, the Committee recommends that it be credited to Member States in a manner to be determined by the General Assembly. Furthermore, it recommends that the special arrangements with regard to the application of article IV of the financial regulations of the United Nations, approved for UNSMIH in General Assembly resolution 51/15 B, be applied to UNTMIH and MIPONUH, as proposed in the report of the Secretary-General (A/53/769, para. 7).

10. With regard to the status of reimbursement to Member States contributing contingents, the Committee was informed that, as at 31 January 1998, \$8,020,576 had been reimbursed for UNSMIH/UNTMIH troops and, as at 31 May 1998, \$837,885 for the MIPONUH formed unit (see para. 15 below). Amounts owed from 1 June to 31 December 1998 total \$1,109,266 for the MIPONUH formed unit.

11. As regards reimbursement for contingent-owned equipment (self-sustainment), as at 31 December 1998, amounts reimbursed were \$4,395,600 for

UNSMIH/UNTMH and \$11,687 for MIPONUH, and the estimated amounts owed were \$70,929 for UNSMIH/UNTMH and \$21,114 for MIPONUH. Unliquidated obligations for contingent-owned equipment amounted to \$47,549 for UNSMIH/UNTMH.

12. As at 31 December 1998 the cash position of UNSMIH/UNTMH and MIPONUH was \$14.1 million, amounts assessed totalled \$89.9 million, payments received amounted to \$71.9 million and amounts outstanding totalled \$18 million. Total unliquidated obligations for the period from 1 July 1998 to 30 June 1999 were \$2.4 million, as at 31 December 1998.

Cost estimates for the United Nations Civilian Police Mission in Haiti for the period from 1 July 1999 to 30 June 2000

13. The estimated requirements for the maintenance of MIPONUH for the period from 1 July to 30 November 1999 and its liquidation from 1 December 1999 to 30 June 2000 amount to \$19,246,400 gross (\$18,223,200 net), including budgetary voluntary contributions in kind amounting to \$1,714,200 (see A/53/789/Add.1, paras. 1 and 2). Thus, the total amount requested for appropriation is \$17,532,200 gross (\$16,509,000 net).

14. The Committee was provided with detailed information on the requirements for the maintenance of MIPONUH for the period from 1 July to 30 November 1999, amounting to \$12,265,200 gross (\$11,581,200 net), and for the liquidation of the Mission for the period from 1 December 1999 to 30 June 2000 in the amount of \$6,981,200 gross (\$6,642,000 net).

15. The Mission will maintain its current strength of 300 civilian police monitors to be supported by 74 international staff, 133 local staff and 17 United Nations Volunteers. The civilian police force of 300 monitors includes a special police "formed unit", consisting of a 90-person rapid reaction unit deployed with its own 50-person support group (A/53/789/Add.1, para. 8; see also S/1998/1064, para. 8). It is anticipated that all 300 civilian police will be repatriated by 31 December 1999. The Committee was informed that, under the agreement between the United Nations and the Government contributing the formed unit, the unit is treated for reimbursement purposes as a contingent, but that no provision is made for contingent-owned equipment. Provision of \$15,900 is made under military personnel costs for reimbursement for medical services provided under self-sustainment for the formed unit.

16. The estimated requirements of \$19,246,400 for the period from 1 July 1999 to 30 June 2000 are \$864,800, or

about 5 per cent higher than the initial apportionment of \$18,381,600 for the current period (1 July 1998 to 30 June 1999), excluding provisions for the support account for peacekeeping operations and for the United Nations Logistics Base at Brindisi but including budgeted voluntary contributions for air operations (see A/53/789/Add.1, para. 2 and annex I.A). Table 1 of the report shows percentage increases in major expenditure categories of the budget for the period from 1 July 1999 to 30 June 2000, as compared to apportionments for the current period.

17. The Committee notes that the cost estimates for the period from 1 July 1999 to 30 June 2000 are higher than the apportionment for 1998–1999, which was also based on maintenance of MIPONUH for five months and its liquidation thereafter, owing to the increase in local salaries that became effective on 1 June 1998 and the inclusion of one additional General Service post for the four-month liquidation phase in New York (see A/53/789/Add.1, annex I.C, paras. 5–6). For the maintenance of the Mission for the period from 1 July to 30 November 1999, there are no changes in staffing requirements (A/53/789/Add.1, para. 14). The Committee recalls that in the past it has stressed the importance of retaining experienced staff for liquidation. The Committee has no objection to the staffing proposal.

18. Provision for other travel costs amounts to \$43,700 (see A/53/789/Add.1, annex II.A). The Committee notes that the cost estimates for travel between Headquarters and the mission area are \$16,600, in addition to internal audit travel (\$5,600) and travel by the Representative of the Secretary-General (\$5,000). As indicated in its report on the revised estimates (A/53/846, para.10), the Committee is concerned about the apparent excessive increase in travel between Headquarters and the mission area.

19. Non-recurrent costs are estimated at \$1,882,500, the details of which are given in annex II.C to the report. The bulk of the request is for refurbishing transport equipment (\$26,100), communications equipment (\$525,000) and other equipment (\$59,000) at the United Nations Logistics Base at Brindisi and for shipment to the Base (\$1 million). The Committee recalls that policies governing the transfer of equipment to Brindisi and refurbishing both at source and destination have been enunciated in reports of the Secretary-General on the management of peacekeeping assets (A/49/936, A/50/907 and A/50/965). Furthermore, in his report, on the financing of the Base, the Secretary-General proposed that future liquidation budgets would include a provision to cover this work, equal to 30 per cent of the total depreciated value of the equipment to be transferred to the Base (A/51/905, para. 20). This proposal was approved by the General Assembly in its resolution 52/1 B of 26 June

1998. Upon inquiry, the Committee was informed that provision has been made in the MIPONUH budget for the refurbishing of communications and other equipment in the amounts of \$525,000 and \$59,000, based on 30 per cent of the residual values of \$1,750,000 and \$196,667, respectively. Since the 87 vehicles to be sent to Brindisi will be less than one year old, provision for refurbishing has been made at the reduced rate of \$300 per vehicle. In this connection, the Committee has stressed the importance of ensuring at all times that the transferred equipment should be usable and that the transfer be cost-effective.

20. Annex III to the report shows the implementation of previous recommendations of the Board of Auditors and the Office of Internal Oversight Services. The Committee sought information on progress on the recommendation of the auditors that the Mission seek reimbursement costs from Governments for early repatriation of civilian monitors who did not meet required standards. The Committee was informed that the Mission has charged the travel expenses to United Nations Headquarters and that recovery letters to be sent to the Permanent Missions concerned are being processed.

21. The Committee recommends that the General Assembly at its fifty-third session approve the proposed appropriation and assessment of the amount of \$17,532,200 gross (\$16,509,000 net) for the maintenance and liquidation of the Mission for the 12-month period from 1 July 1999 to 30 June 2000 (see A/53/789/Add.1, para. 21).