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Agenda item 140 (a)**Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations****Management of peacekeeping assets****Field assets control system****Report of the Secretary-General***Summary*

The present report is submitted pursuant to the request of the General Assembly contained in its decision 50/500 of 17 September 1996 for a follow-up report on the *matériel* management aspects of the report of the Secretary-General of 29 May 1996 (A/50/965). It describes the field assets control system, expanding on the assets management strategy described in the report of the Secretary-General, taking into account the views of the Advisory Committee on Administrative and Budgetary Questions in its reports (A/50/985 and A/51/872), the recommendations of the Board of Auditors (A/C.5/50/51) and the recommendation of the Office of Internal Oversight Services regarding the codification of assets, contained in section E of the report of the Secretary-General (A/51/803). The actions to be taken by the General Assembly are contained in paragraph 27.



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I. Introduction

1. The present report is submitted pursuant to the request of the General Assembly contained in its decision 50/500 of 17 September 1996 for a follow-up report on the *matériel* management aspects of the report of the Secretary-General on management of peacekeeping assets: policy, technique and accounting issues of 29 May 1996 (A/50/965). It describes the systems developed for management and control of the Organization's mission assets, expanding on the assets management strategy described in the report of the Secretary-General of 29 May 1996, and taking into account the views of the Advisory Committee on Administrative and Budgetary Questions in its reports of 26 June 1996 and 14 April 1997 (A/50/985 and A/51/872), the recommendations of the Board of Auditors (A/C.5/50/51) and the recommendation of the Office of Internal Oversight Services regarding the codification of assets, contained in section E of the report of the Secretary-General of 20 February 1997 (A/51/803).
2. In consideration of the above documents and the need to establish a control mechanism in accounting for the inventory of the United Nations global assets and following completion of a thorough review of the existing organizational control process by the Field Administration and Logistics Division of the Department of Peacekeeping Operations, a field assets control system is being developed to provide an auditable chain of accountability for United Nations-owned assets from their initial procurement through their final disposal. This automated system for the control and management of assets fulfils information requirements and replaces the heretofore manual work process of the United Nations, both at Headquarters and in the field. Implementation of the system will allow Headquarters visibility of all the items of United Nations-owned non-expendable property, as defined in the administrative instruction of 16 January 1992 (ST/AI/374), currently in storage or in use in missions.
3. The present report describes the field assets control system in detail and introduces plans for the development of a comprehensive field mission logistics system (FMLS), which will provide an interactive database and on-line environment for Headquarters interaction with missions in specific areas associated with their logistics support. The FMLS is described further in paragraphs 25 and 26 below.

II. Background

4. The administrative instruction mentioned above (ST/AI/374), entitled "Property records and inventory control under revised definition of non-expendable property", states that non-expendable property consists of items of property or equipment valued at \$1,500 or more per unit at the time of purchase and with a serviceable life of five years or more. The report of the Secretary-General of 29 May 1996 (A/50/965) described a proposed overall assets management strategy for implementation by the Field Administration and Logistics Division and stated that an automated system was required to overcome the difficulties now associated with non-expendable property management, including the non-standard and uncoordinated implementation of asset control systems in each of the field missions resulting in data collection that is neither transparent nor interactive on a global basis; lack of a standard item codification system and an adequate inventory recording procedure; and ineffective tracking of the procurement and maintenance history of assets.
5. Assets management in this context is defined as a process to ensure that assets acquired by the Organization are properly handled, accounted for and controlled, and that informed and timely decisions are made on the procurement, delivery, redistribution, replenishment, storage, write-off and disposal of assets. The Field Administration and Logistics Division is responsible for the global management of mission assets. Individual missions are in turn responsible for the in-mission administration and management of those assets assigned to the mission.

III. Management of peacekeeping assets

6. Financial rule 110.25 and ST/AI/374 specify the requirement for controls and for the maintenance of property records for United Nations-owned property. In order to correct the weaknesses listed in paragraph 4 above, the Secretary-General is developing the field assets control system, in order to provide the specified records and controls for non-expendable property, suitable records and controls for the efficient management of expendable property and the specified records and controls for special items of an attractive nature and property issued against property receipts. As such, the field assets control system is but one element of an overall effort to improve the responsiveness, efficiency and cost-effectiveness of the provision of United Nations logistics support to missions through the development of the FMLS.
7. The ability to track the physical condition of assets and efficiently manage spare parts is necessary for the proper functioning of the field assets control system. Therefore, one of the first elements of the FMLS to be developed and implemented will be the United Nations-owned equipment portion of the maintenance tracking system to provide condition tracking and the necessary controls for management of expendable spare parts used in the maintenance of non-expendable property and attractive items.

IV. Field assets control system infrastructure

8. The field assets control system will use the Organization's existing global mission communications, data storage and transmission infrastructure (see annex I for a chart showing existing Field Administration and Logistics Division data network). The system will take advantage of modern commercial groupware (software) and bar coding technology for the seamless integration and transfer of asset data between field missions and the Field Administration and Logistics Division. Use of groupware technology that supports near-real-time multilevel user access and the transfer/update of information from external data sources will enable: standardization of inventory data capture; data sharing and transfer of information between existing field mission asset databases; elimination of data entry redundancies (i.e. existing mission databases can be used for the retrieval and reconfiguring of data for use in other missions thus eliminating the need for manual re-entry of such data); and transparency of inventory tracking between missions and within each mission area. The system will interface with the Reality procurement support system and the Integrated Management Information System (IMIS) to permit asset life cycle tracking from requisition through procurement to write-off and disposal. By providing management reports and a detailed inventory of peacekeeping assets (including their condition and location), the field assets control system will be of great assistance in the preparation of reports on the disposition of assets of liquidating missions, in the resolution of discrepancies and in ensuring prompt issuances of receipt and inspection reports by recipient missions.
9. Each of the specialist logistics units (engineering, transport, supply, communications, electronic data processing and medical) will act as commodity managers responsible for the global management of United Nations assets that fall within their specialist area, from procurement through initial distribution and redeployment where necessary, to disposal and replacement as required. The field assets control system will provide commodity managers with life cycle costs and item residual value data that will be useful in determining disposal policies. The Field Administration and Logistics Division will remain the first point of contact for field missions requesting initial provisioning of assets and subsequent changes in their *matériel* holdings. The Division will thus continue to review requirements, including specifications and standards, and approve or reject requests for certain types of equipment, taking into account the associated budgets and procurement actions and considering the availability of similar items in the United Nations Logistics Base, other missions or from donation or loan by contributing nations.

V. Field assets control system design

10. The design of the field assets control system will allow managers to make useful application of records that now exist in field mission automated databases, manual records and periodic reports, and provides for the automatic permanent archiving of those records and reports. Since groupware enables automatic system-wide replication of changed information, data entries made in a field mission, at the United Nations Logistics Base or in the Field Administration and Logistics Division will automatically update or complete records at every level in the system, ensuring that all users have near-real-time visibility of the updated data. A chart showing the system design is provided in annex II. The system consists of five interlinked modules, plus the United Nations-owned equipment portion of the maintenance tracking system, as follows:
 - (a) The item master catalogue module;
 - (b) The mission assets module;
 - (c) The in-mission tracking module;
 - (d) The disposal module;
 - (e) The *matériel* request order module;
 - (f) The maintenance tracking system (United Nations-owned equipment).
11. The item master catalogue module serves as the system's central catalogue of the entire range of assets used in missions. This module contains the description and the unique identification (item number) of each line of equipment and supply held in field missions. After the completion of testing in September 1997, the cataloguing and codification of line items will be centrally controlled by the Field Administration and Logistics Division's commodity managers. Articles purchased locally by missions for which no Division item number exists will be given a temporary item number by the mission until a final item number is issued by the Division. These final item numbers will be electronically (and automatically) replicated to the missions by the system. This will ensure the maintenance of strict coding standards within the system and ensure uniform inventory records are maintained by missions worldwide.
12. The Field Administration and Logistics Division has reconsidered the issue of the item numbering or codification system to be used for field assets and has taken into account the views expressed by the Advisory Committee and Member States in their review of the report of the Secretary-General on the subject (A/50/985). After further review of the matter it was determined that the United Nations common coding system (UNCCS) will serve as the basis for classification and codification of items in the field assets control system. Presently, the UNCCS six-digit code provides for the classification of major groupings of various items. The identification of individual line items within this class/group can be done by extending the UNCCS code with the IMIS organizational code (to identify the United Nations organization that created the particular line item code number) and by non-significant numbers (to create unique line item numbers). This approach conforms to the recommendations of IMIS and has been successfully field tested by the Division. The field assets control system uses this approach (UNCCS extended by IMIS organizational code and by additional non-significant numbers) for the codification of field assets and will be able to provide equipment details that describe the item at the generic level while also providing exact information on the make, model number, capacity, volume data and the bar code number of each individual item. The system will also allow for additional cross-referencing of any other identifying numbers associated with the asset from any other numbering systems (e.g. national codification systems, manufacturers catalogue numbers, etc.). The field assets control system, therefore, is compatible with other codification systems while retaining the flexibility to cater for future automated systems for United Nations-owned expendable supplies and contingent-owned equipment. Annex III provides examples of the codification of items for the field assets control system.
13. The mission assets module contains the consolidated global database of each mission's assets, classified in accordance with the unique item numbers of the Item Master Catalogue Module. The mission assets module will reside at the Field Administration and Logistics Division in New York (with a back-up copy

- located at the United Nations Logistics Base, Brindisi) and subsets of the database that contain the information on all assets assigned to individual field missions will be replicated and visible to the respective field missions. The groupware technology used in the system provides for automatic, near-real time, system-wide data updates between the Field Administration and Logistics Division, the United Nations Logistics Base and all field missions. The mission assets module provides the link to the procurement system and includes procurement information such as requisition and purchase order numbers, original purchase price and the length of serviceable life. This module will use bar codes for unique asset identification and tracking. The module also encompasses the traditional supply functions of receipt, storage, issue, shipment and disposal and allows for near-real-time update of asset tracking information to responsible commodity managers and field missions; visibility of advance asset shipping information to the Field Administration and Logistics Division, the United Nations Logistics Base and the sending and receiving field missions for the inter-mission/intra-mission transfer of assets, logistics decision-making and planning support to commodity managers and mission staff; and transparency of field mission inventories. This system also enables the immediate recognition of surplus assets in missions that have been downsized or are undergoing liquidation and provides commodity managers the flexibility to redistribute assets in lieu of new procurement.
14. The in-mission tracking module tracks asset movements within the mission area providing the property control and inventory unit with up-to-date inventory information at all times. This module maintains the issuance history for each individual asset, ensures that an accurate visibility of mission level stock is available to the Field Administration and Logistics Division and the mission at all times, provides immediate information on the location of all mission assets, disseminates data entry from the property control and inventory unit to the asset managers and supports usage statistics for planning purposes. This module will also contain the scanned images of certification and procurement documentation.
 15. The disposal module tracks the Property Survey Board process for assets and will allow for all Property Survey Board documentation to be created within the field assets control system. This module also contains the scanned images of signatory documents concerning accidents and incidents involving the loss, damage or write-off of property (PT-107 documents, board of inquiry reports, etc.) and will be the origin of data for presentations to the Headquarters Property Survey Board.
 16. The *matériel* request order module allows missions to request needed assets on-line for approval and electronic action by commodity managers and subsequent issue by the United Nations Logistics Base or a liquidating mission, in the event the required items are held in stock. It is important to note that the Logistics Base is intended to be operated as a field operating element of the Field Administration and Logistics Division and as a permanent facility that supports peacekeeping operations worldwide. The Base will hold assets from liquidated missions for re-use where it is economic to do so, maintain contingency stocks and initial provisioning supplies to enable rapid deployment of *matériel* on short notice and support communications and data transfer between United Nations headquarters and peacekeeping missions worldwide. In other words, the Division will retain responsibility for the global management of United Nations-owned assets; the Logistics Base will hold, repair, maintain and issue United Nations-owned assets as directed by the Division.
 17. The maintenance tracking system (United Nations-owned equipment) will capture and centralize information, reports and on-line actions required by commodity managers at Headquarters and in Missions for the maintenance of United Nations-owned equipment within their specialist areas of responsibility. This system will provide specific information on each individual item of United Nations-owned equipment such as the item's maintenance history, repair parts and labour consumed by the item and the item's required maintenance schedule. It is also planned for users to be able to access manufacturers' parts catalogues on-line. The maintenance tracking system will provide for the efficient management of expendable repair parts and be interlinked with the field assets control system, ensuring that maintenance cost information will be included in individual item life cycle cost data. It will also facilitate the automated restocking of repair parts.

VI. Implementation of the field assets control system

18. The development of the groupware application modules of the field assets control system is being completed in-house. The process of developing, testing, performance verification and fielding of the system is an arduous one that continues to require the application of considerable amounts of manpower for lengthy periods of time. For example, the development of the item master catalogue module has taken in excess of three months and has involved personnel from each specialist logistic section of the Field Administration and Logistics Division and substantial input from all of the missions. During the development of the item master catalogue, staff of the Division reviewed the assets inventories of all field missions, created standard asset line item descriptions and removed all duplications caused by the lack of centralized item classification and codification. This process resulted in a decrease of the number of individual asset line items in the item master catalogue from more than 175,000 to approximately 15,000. Work on the modules of the system has progressed to the point where system testing is currently being conducted on a mock-up simulation.
19. The Field Administration and Logistics Division is using the existing communications network and electronic data transfer capabilities in the Department of Peacekeeping Operations to implement the field assets control system. During 1997 and 1998, and independent from the development of the system, the existing Department's communications and data transmission wide area network is undergoing a technical enhancement using existing resources to produce a reliable network suitable for all mission requirements. These enhancements will increase the speed and overall capacity of the data network for the existing and projected volume of data transmission to sustain the field assets control system.
20. In tandem with this enhancement of the data transmission network, electronic data-processing infrastructure in the field missions is being upgraded. Ageing computers are being replaced with newer models capable of running modern software and servers and technical infrastructure are also being improved. The result will be a more responsive data network in the missions, providing users with reliable connectivity to the wide area network.
21. The Field Administration and Logistics Division deployed the field assets control system to the United Nations Logistics Base in June/July 1997 and conducted field testing and performance verification. It is planned to conduct in-mission testing in two missions during August/September 1997. Installation of the field assets control system in missions will commence after these tests and performance verification have been completed; it is envisaged that the system will be installed and operational in all missions by June 1998.
22. From October 1997 to April 1998, installation teams will install the system, manage the changeover of missions from their existing inventory system to the field assets control system, incorporate mission input into system configurations and conduct training of the mission personnel who will maintain and operate the system. It is estimated that the installation process in each mission will require, on average, a five-week period. Once installation is completed further system upgrades will be electronically distributed from the Field Administration and Logistics Division.

VII. Resources for the field assets control system

Post requirements

23. As identified in paragraph 37 of the report of the Secretary-General on the support account for peacekeeping operations of 7 May 1997 (A/51/890), four additional support account posts (1 P-4, 2 P-3 and 1 General Service) are required in the Asset Management Unit, Office of the Chief, Logistics and Communications Service, the Field Administration and Logistics Division, to ensure effective use and future development of the field assets control system. In its report of 21 May 1997 (A/51/906 and Corr.1), the Advisory Committee on Administrative and Budgetary Questions expressed the view that the Secretariat

should address the issue of the implementation of the observations, comments and recommendations of the Advisory Committee, the Board of Auditors and the Office of Internal Oversight Services on assets management in peacekeeping operations before any consideration of requests for additional resources in this area. These issues are addressed in the present report. Functional descriptions of the posts being requested are as follows:

- (a) *Assets management (P-4)*. As the focal point of the Field Administration and Logistics Division for assets management, the incumbent is responsible for the development and implementation and updating of the field assets control system and for the development, implementation and updating of policies and procedures relating to assets management for the staff of the Logistics and Communications Service and for property officers in the field. The incumbent also serves as the focal point within the Logistics and Communications Service for contingent-owned equipment matters relating to self-sustainment. Other responsibilities include monitoring and enforcing adherence to published policies and procedures and the initiation of corrective action where required, preparing and updating delegations of authority, monitoring and follow-up management of equipment-related letters of assist for all missions. This position also has oversight of property survey cases processed by the Asset Management Unit;
- (b) *System analysts (2 x P-3)*. The two incumbents act as systems coordinators for the field assets control system and oversee the consolidated databases and daily operation of the system. They interact with the Division and field user groups to determine and analyse further development and refinement of the system and integration with other systems. They plan and implement system capability enhancements, prepare and update documentation, including system standard operating procedures, produce systems documentation, on-line operator training manuals and system hyperlinks providing access to information, procedures and regulatory policies;
- (c) *Electronic data-processing assistant (General Service)*. Assists in the development and maintenance of the field assets control system. Provides related technical support services to users in the Division and missions. Assists in the provision of user training and the development of documentation and user manuals.

Travel

24. The installation of the system and training of mission staff will be conducted by teams composed of existing Division and trained mission staff. Each installation team will consist of seven persons (one team leader, two technicians and four trainers). Teams will be required to travel to each field mission in order to install the system and conduct training of personnel. The team leader will be required in the mission for 14 days, each of the two technicians will be required in the mission for 21 days and the four trainers will be required to remain for 35 days. The total estimated costs per field mission are estimated to be \$7,000 for travel (seven staff at an average travel cost of \$1,000 per person) and \$19,600 for daily subsistence allowance (one for 14 days, two for 21 days and four for 35 days at an average rate of \$100 per day) and would be funded from item 2 (b), Other travel costs, of the recipient field missions' budgets.

VIII. Future development

25. The field assets control system should fulfil the requirement for the management of non-expendable United Nations-owned equipment. However, it is also the Secretariat's intention to develop and progressively deploy additional logistics support systems to create an integrated, on-line field mission logistics system. The latter will provide better accountability for contingent-owned equipment as well as United Nations-owned equipment and United Nations-owned expendable supplies, and improve logistics responsiveness by automating administrative procedures. The field mission logistics system will be developed in-house by building on the groupware, data transmission network and electronic data-processing equipment already in place for the field assets control system.

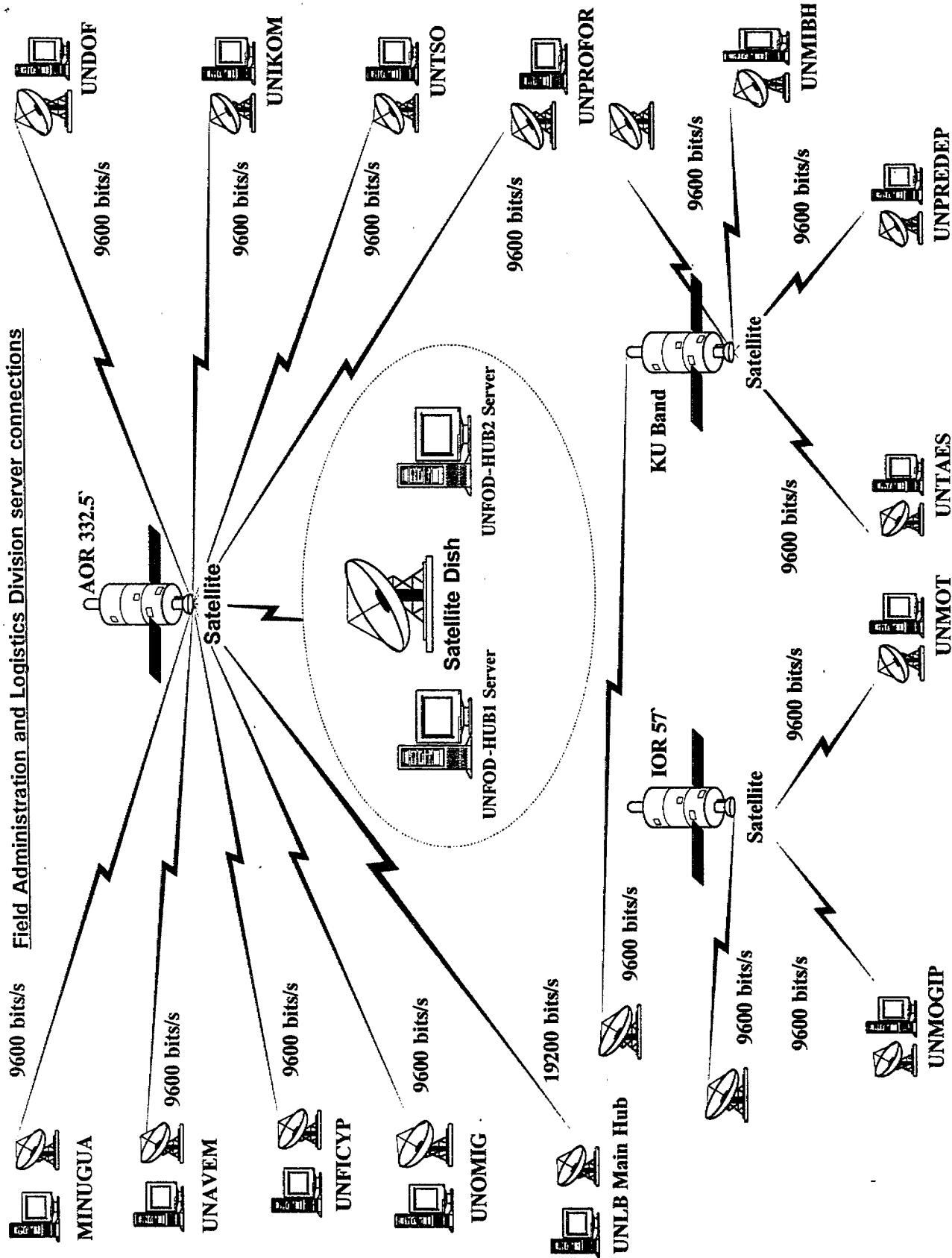
26. The field mission logistics system will provide Chief Administrative Officers and responsible officers within missions with better tools with which to perform their accountability functions. It will also provide responsible officers in the Field Administration and Logistics Division with more relevant and up-to-date information upon which to base management decisions and maintain global visibility over field mission logistics support operations. The design of the field mission logistics system is still to be finalized. A chart showing a possible arrangement is shown in annex IV. However, it is proposed that the following interlinked systems be developed:
- (a) The movements system will provide access to information and facilitate the on-line processing of requirements to: deploy, rotate and redeploy military contingents and their contingent-owned equipment; deploy, rotate and redeploy civilian police and military observers, move cargo, deploy, redeploy and transfer United Nations-owned equipment between the United Nations Logistics Base and missions and between missions; manage sea lift contracts and short- and long-term air charters; and disseminate aviation flight safety policy, information and procedures. This system will also facilitate in-mission joint movement control centre planning, scheduling, manifesting, tracking and report archiving for cargo and personnel movements within field mission areas, including the on-line preparation, submission and processing of cargo and personnel movement requests;
 - (b) The maintenance tracking system, which is to be implemented simultaneously with the field assets control system to cover United Nations-owned equipment, will be expanded to cover contingent-owned equipment, in particular equipment provided under dry lease arrangements;
 - (c) The contingent-owned equipment control system is envisaged to provide for the on-line reporting, processing and actioning of the prescribed policies and procedures concerning the reimbursement and control of the contingent-owned equipment of troop-contributing countries participating in peacekeeping missions. Interlinked modules will provide access to contribution agreements, wet/dry lease and self-sustainment arrangements and a database of contingent assets and will facilitate the on-line preparation and submission of verification and control reports and the processing of reimbursement payments;
 - (d) The expendable supplies system is envisaged as an automated on-line system to provide access to information for the management and accountability of all United Nations-owned expendable property including general supplies, fuel, spare parts, industrial gases and lubricants, rations, ammunition and water. This system will be similar in configuration to the field assets control system but will provide records and controls for the efficient management of expendable property in accordance with financial rule 110.25 and ST/AI/374. This system will provide support for warehouse operations, automatic restocking, consumption and cost data for analysis by commodity managers. This system will also provide for military elements, units and contingents to provide personnel strength and item consumption reports to improve the forecasting of requirements and accountability for expendable supplies;
 - (e) The logistics services system will facilitate the on-line preparation and submission of logistics reports and other logistics operational information; issuance, preparation and tracking of all local contracts committees, Headquarters Contracts Committee and letters-of-assist actions by field missions and the Field Administration and Logistics Division from requisition to finalization; processing of claims and servicing of boards of inquiry; and coordination and preparation of audit report responses. It will allow for the raising of documents inside the system to maintain a complete audit trail and to provide near-real-time action status visibility to relevant Division and mission staff;
 - (f) The logistics reference system will provide on-line access to the Department of Peacekeeping Operations logistics reference and technical documents and will provide for the electronic dissemination of new and revised policies, procedures and guidelines. A portion of this system has already been developed and implemented within the Field Administration and Logistics Division.

IX. Actions to be taken by the General Assembly

27. The actions to be taken by the General Assembly are as follows:
- (a) To endorse the proposal for the development and implementation of the field assets control system as described in paragraphs 4 to 22 of the present report;
 - (b) To approve four additional posts (one P-4, two P-3 and one General Service) to be financed from the support account for peacekeeping operations;
 - (c) To take note of the requirements for travel to install the system in field missions and train mission staff in its use;
 - (d) To take note of the intention of the Secretary-General to develop the field mission logistics system, as described in paragraphs 25 and 26 of the present report.

ANNEX I

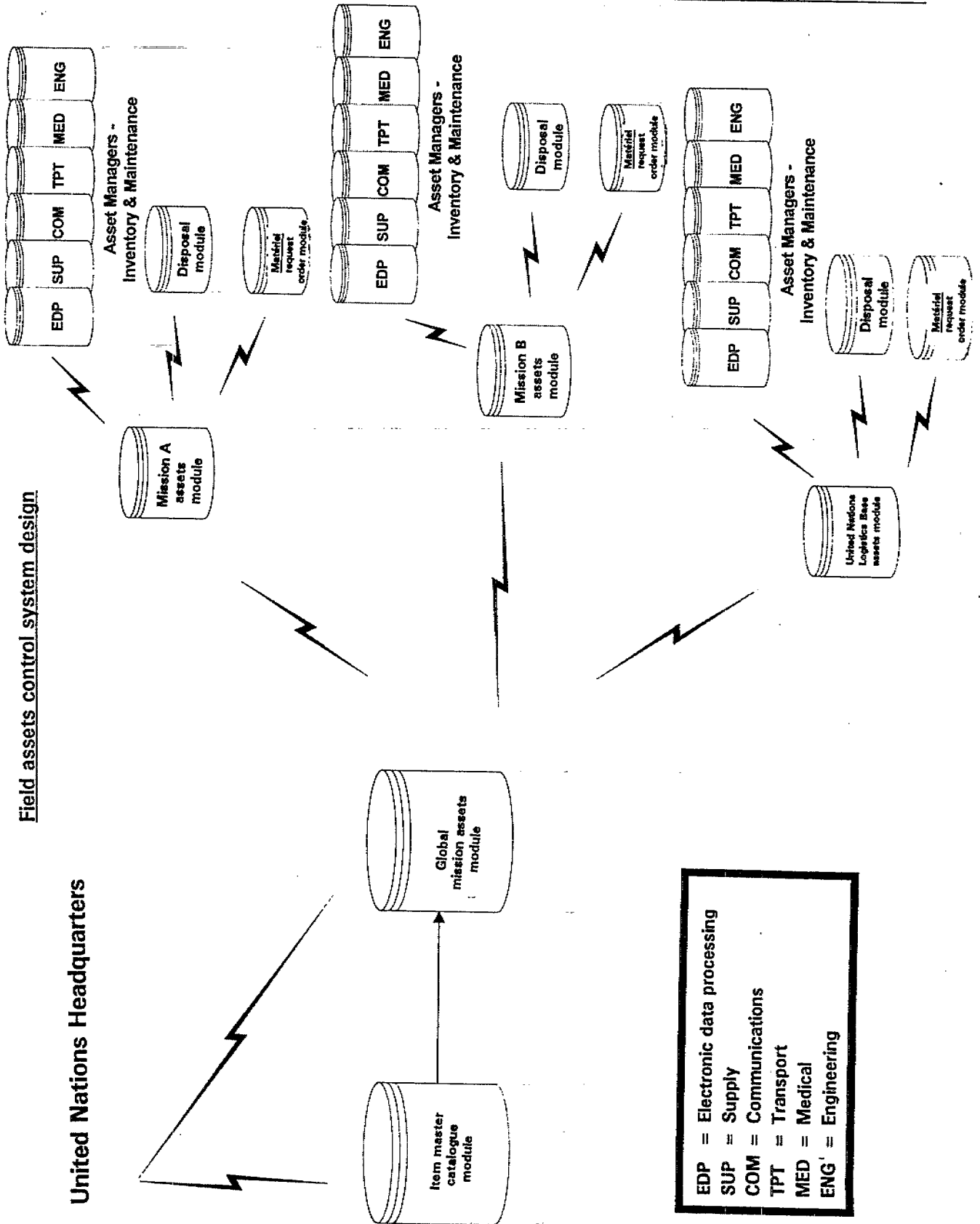
Field Administration and Logistics Division server connections



ANNEX II

Field assets control system design

United Nations Headquarters



EDP	=	Electronic data processing
SUP	=	Supply
COM	=	Communications
TPT	=	Transport
MED	=	Medical
ENG	=	Engineering

Annex III

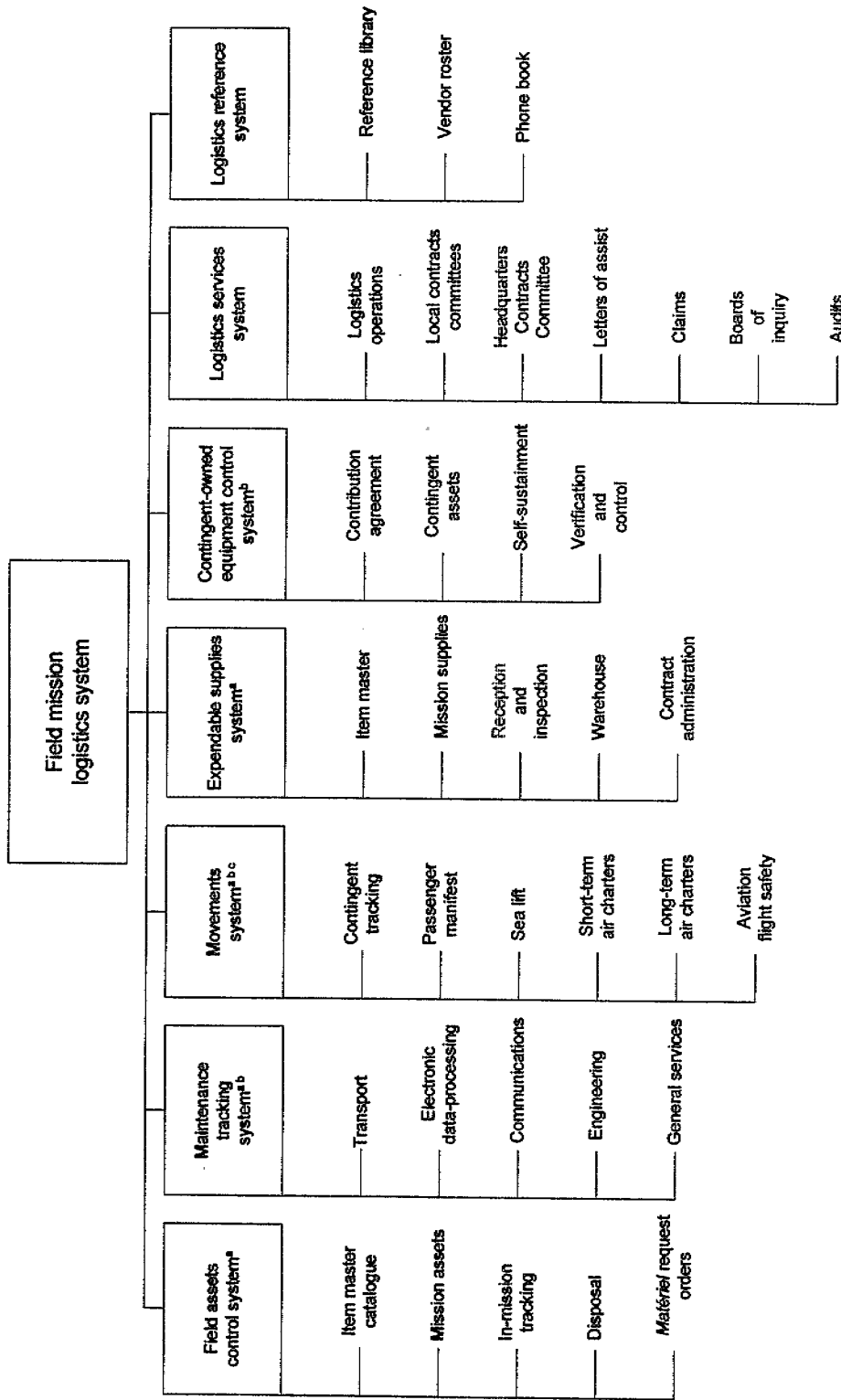
Codification of items for the field assets control system

1. Item code numbers in the field assets control system will consist of the following three components: (Six-digit UNCCS) + (Four-digit IMIS organizational code) + (Field Administration and Logistics Division-controlled and issued six-digit number)
2. The components of the item code number are as follows:
 - (a) The six-digit UNCCS code provides information on the general class of the items (e.g. vehicles, computers, generators, tents);
 - (b) The four-digit IMIS code provides information on the United Nations organizational unit that created this unique item code number. IMIS proposes standardizing this numbering system throughout the Organization so that users will be able to identify the source of unique item code numbers;
 - (c) The six-digit Field Administration and Logistics Division-controlled and issued number allows identification of each unique item within the UNCCS general class.
3. For example, the item code number: 491770-0146-000008
is composed of:
 - 491770 (the UNCCS generic code for TRUCKS)
 - 0146 (the IMIS organizational code of the Field Administration and Logistics Division indicating that the Division created this particular item code number)
 - 000008 (the Field Administration and Logistics Division-issued non-significant number to create the unique code for the item) and the item code number, 491770-0146-000008, denotes the specific item type:
TRUCK, CARGO, LIGHT, RENAULT, B110

The field assets control system then provides detailed information on the specifications of this item type and allows for cross-referencing with any other classification system or available reference number. Individual items within this item type are identified by unique bar code labels (tag numbers) and the field assets control system provides the specific information associated with each individual item (e.g. engine number, chassis number, procurement information (requisition number, purchase order number, vendor), maintenance history, physical location, current assigned user, etc.).

ANNEX IV

Field mission logistics system...concept chart



^a United Nations-owned equipment.

^b Contingent-owned equipment.

^c Personnel.