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Financing of the United Nations Mission in Bosnia and Herzegovina

Financial performance report for the period from 1 July 1999 to 30 June 2000 and budget for the period from 1 July 2001 to 30 June 2002 of the United Nations Mission in Bosnia and Herzegovina

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financial performance of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) for the period from 1 July 1999 to 30 June 2000 (A/55/683), including the United Nations liaison offices in Zagreb and Belgrade and the United Nations Mission of Observers in Prevlaka (UNMOP), which, although an independent mission, is treated as part of UNMIBH for administrative and budgetary purposes. The Committee has also considered the report of the Secretary-General on the proposed budget for UNMIBH for the period from 1 July 2001 to 30 June 2002 (A/55/752), including the United Nations liaison and administrative offices at Zagreb and Belgrade and UNMOP. During its consideration of the reports, the Advisory Committee met with representatives of the Secretary-General, including the Chief Administrative Officer of UNMIBH, who provided the Committee with additional information.

Financial performance report for the period from 1 July 1999 to 30 June 2000

2. The General Assembly, by its resolution 53/233 of 8 June 1999, appropriated an amount of \$178,204,381 gross (\$168,191,981 net), inclusive of \$8,865,888 for the support account for peacekeeping operations and \$1,738,493 for the United Nations Logistics Base at Brindisi, Italy (UNLB). The Committee was informed that, since the inception of the Mission, assessment on Member States amounted to



\$781.4 million, against which a payment of \$704.8 million had been received as at 31 December 2000, leaving an outstanding balance of \$76.6 million.

3. The financial performance report of UNMIBH for the period from 1 July 1999 to 30 June 2000 (A/55/683) reflects expenditures in the amount of \$152,214,000 gross (\$143,365,900 net), resulting in an unencumbered balance of \$25,990,381 gross (\$24,826,081 net). The unencumbered balance is the net of under- and over-expenditures for several objects of expenditure as presented in the report of the Secretary-General (ibid., annex I). The Committee notes that expenditures of \$152,214,000 include an amount of \$9,161,400 in unliquidated obligations as at 30 June 2000 (ibid., table 1, footnote a). The Committee was informed that the amount of unliquidated obligations had decreased as at 31 December 2000 to \$3 million, of which \$0.6 million relates to governmental obligations. The cash position of the Mission was \$3.8 million as at 31 December 2000.

4. As indicated in the Secretary-General's report (ibid., paras. 7 and 8), the total unencumbered balance of nearly \$26 million, the bulk of which is under the heading for civilian personnel, was largely due to the following two factors:

(a) High vacancy rates for civilian police (17 per cent, compared to the 5 per cent budgeted), international staff (16 per cent, compared to 15 per cent budgeted), national officers (31 per cent, compared to 5 per cent budgeted) and local staff (8 per cent, compared to 5 per cent budgeted);

(b) Lower mission subsistence allowance rate applicable in the Mission area after 30 days (\$75 as opposed to the budgeted amount of \$90).

5. The Committee notes that the high vacancy rates in civilian personnel and police are due to the need to provide assistance to new United Nations missions in Kosovo and East Timor. **The Advisory Committee requests that specific information be included in future performance reports on staff assigned to assist other United Nations missions.**

6. According to the Secretary-General, the underexpenditure under the budget line for "Civilian personnel" was partially offset by additional requirements of \$2,991,300 relating to the renovation of the Mission's headquarters and additional requirements of \$1,189,500 under supplies and services, which are largely attributable to losses on currency exchange rates, additional requirements to cover the costs of local security guards and legal service costs in connection with the recovery of assets from the travel fraud case in UNMIBH and in connection with the helicopter accident of 17 September 1997.

7. With regard to the new headquarters premises, the Advisory Committee understands that this is a rent-free arrangement for eight years beginning April 2000 and that, therefore, the only cost to the United Nations is the amount of \$3 million for renovation. The Committee sought additional information on the cost-effectiveness of spending nearly \$3 million on the renovation of Mission headquarters since the proposed completion of the mandate is December 2002. According to the Secretariat, UNMIBH benefits from the operational and administrative efficiencies of having one centralized location since this allows:

(a) A reduction in the number of security guards from 91 to 85;

(b) A decrease in the number of International Police Task Force monitors involved in administrative and logistic duties in Sarajevo, thus allowing the

deployment of 200 International Police Task Force officers to the field to implement the co-location and State Border Service programmes;

(c) A reduction in resources and time spent by personnel moving between the five former locations.

The Advisory Committee was informed that prior to occupying the building, UNMIBH was paying a combined yearly rental of \$1,176,797 for three former premises in Sarajevo and the Tito Barracks. In view of the rent-free arrangement the cost of renovation would be completely amortized by April 2003. Should a monitoring mission be required beyond the proposed completion date of the mandate in December 2002, rental savings will accrue. **The Advisory Committee recommends that all future budget submissions for United Nations peacekeeping operations provide a complete justification for significant investments (\$1 million and above) in premises not owned by the Organization.**

8. The Committee was informed that during the period from the inception of the Mission on 1 January 1996 to 31 December 2000, 17 claims under death and disability compensation had been certified for payment for a total amount of \$0.8 million, leaving the balance of unliquidated obligations under this budget line at \$2.3 million as at 31 December 2000; in addition, there are 79 reported incidents that may result in claims. The Committee also sought additional information on claim settlements related to the helicopter accident on 17 September 1997 and was informed that the United Nations portion of the claim settlements not covered by dissident underwriters total \$221,901.66 in respect of three claims. In this connection there is no pending arbitration or litigation.

9. The action to be taken by the General Assembly in connection with the financing of UNMIBH is indicated in paragraph 13 of document A/55/683. **The Committee recommends that the unencumbered balance of \$25,990,381 gross (\$24,826,081 net) for the period from 1 July 1999 to 30 June 2000 be credited to Member States in a manner to be decided by the General Assembly.**

Cost estimates for the period from 1 July 2001 to 30 June 2002

10. The proposed budget for the maintenance of UNMIBH, including UNMOP, and the United Nations liaison offices in Belgrade and Zagreb for the period from 1 July 2001 to 30 June 2002 amounts to \$143,588,900 gross (\$134,704,400 net). Of the total proposed budget, some 78 per cent of resources relate to civilian personnel costs. Operational costs account for 15 per cent of the budget, military personnel costs reflect 1 per cent and staff assessment comprises 6 per cent of the total proposed budget. Less than 1 per cent of the total resources are related to other programmes (see A/55/752).

11. The estimated requirements for the period from 1 July 2001 to 30 June 2002 represent a 4.3 per cent decrease (\$6,411,100) in gross terms in relation to the apportionment for the current budget period ending 30 June 2001, exclusive of provision for the support account for peacekeeping operations and UNLB. According to the report of the Secretary-General, the decrease chiefly reflects a 24.1 per cent reduction in military personnel costs, a 2.7 per cent reduction in civilian personnel costs and a 14.9 per cent reduction in operational costs, partially offset by

a 10.4 per cent increase in staff assessment and a 2.2 per cent increase in other programmes (ibid., table 1).

12. The Committee was informed by the representatives of the Secretary-General that the goals and achievements of the Mission are reviewed every three months.

13. The proposed staffing establishment of UNMIBH provides for 28 military observers in Prevlaka and five military liaison officers in Bosnia and Herzegovina, 1,850 civilian police in Bosnia and Herzegovina, 363 international staff, 17 national officers and 1,536 local staff. This reflects a net reduction of 35 international staff (2 P-4, 8 P-3, 13 General Service, 12 Field Service) and a net increase of 2 National Officers and 98 local staff. **The Committee welcomes the efforts to maximize utilization of staff resources.** Details on the proposed changes in staffing requirements, as provided in the report of the Secretary-General (ibid., paras. 23 and 24), are as follows:

(a) Termination of 20 posts (out of 42) in the Judicial System Assessment Programme (2 P-4, 8 P-3, 1 National Officer and 9 local staff);

(b) Conversion of 85 security guards to local staff;

(c) Exchange of 1 P-2 post from the Finance Section for 1 P-3 post in the Office of the Chief of Technical Services;

(d) Replacement of 13 General Service posts and 9 Field Service posts by 22 Local level posts;

(e) Replacement of 3 Field Service posts in the Communications and Information Technology section with 3 National Officer positions;

(f) Redeployment of 1 Field Service post from the Zagreb administrative office to the Movement and Control Section;

(g) Redeployment of 5 Local level posts from the Zagreb administrative office to the Liaison Office in Zagreb.

14. Cost estimates are based on a 10 per cent vacancy factor in respect of international staff and national officers and a 7.5 per cent vacancy factor in respect of local staff. Moreover, it is estimated that 65 per cent of staff in the Professional and Field Service categories would be employed as mission appointees.

15. The Advisory Committee was informed that the encumbrancy situation in UNMIBH as at 31 December 2000 was as follows:

<i>Posts</i>	<i>Authorized</i>	<i>Encumbered</i>	<i>Vacancy rate (%)</i>
Military observers	28	26	7.1
Military liaison officers	5	4	20
Civilian police	2 057	1 810	12.0
International staff	398	336	15.6
National officers	15	10	33.3
Local staff	1 438	1 392	3.2

16. The Advisory Committee notes that the mandate of the Judicial System Assessment Programme was concluded in December 2000 and that the Office of the High Representative is creating an Independent Judicial Commission to take over many of the functions previously performed by the UNMIBH Judicial System Assessment Programme (ibid., para. 11); for this purpose the Secretary-General proposes that 22 of the 42 posts of the former Judicial System Assessment Programme be utilized in connection with the creation of a Criminal Justice Advisory Unit within the office of the Commissioner of the International Police Task Force. On the basis of explanations provided by representatives of the Secretary-General, **the Advisory Committee has no objection to this proposal.**

17. With regard to the proposed conversion of 85 security guards currently employed on special service agreements to local staff, the Committee was informed that should the proposal be approved by the General Assembly, there would be no more local staff employed on special service agreement terms to perform tasks of a continuing nature. The Committee notes from the additional information provided to it that an increase of \$1.9 million under the budget line "Local staff salaries" is substantially offset by a reduction of \$1 million under the budget line "Security services". **The Advisory Committee recommends the approval of the proposed conversion.**

18. **In view of the fact that the requirements for civilian police are estimated at 100 per cent occupancy, the Committee points out that experience has shown that full incumbency may not materialize, even taking into account overlaps during rotation. Moreover, the estimates for international staff and national officers are based on the assumption of a 10 per cent vacancy, although, as can be seen from paragraph 15 above, the actual vacancy rates for international staff and national officers as at 31 December 2000 were 15.6 and 33.3 per cent respectively. The Committee also points out that since the Mission is beginning to wind down it is expected that long-term personnel recruitment and placement and investment in equipment and infrastructure would begin to slow down during the coming financial period.**

19. The report of the Secretary-General on the budget of UNMIBH sets out the actions to be taken by the General Assembly in connection with the financing of the Mission for the 12-month period from 1 July 2001 to 30 June 2002 (ibid., para. 3). **In view of the comments and observations made in the paragraphs above, the Committee is of the opinion that the requirements for the period from 1 July 2001 to 30 June 2002 should not exceed \$140 million gross. The Committee also recommends that, upon the eventual completion of its mandate, arrangements be made to place many of the current international staff of UNMIBH in other existing missions of the United Nations should the requirements of these missions so permit. This would enable the United Nations to continue to benefit from the considerable experience and expertise that the staff have acquired during their service with UNMIBH. Where it is not possible to immediately place such staff, their names should be placed in the personnel roster of the Department of Peacekeeping Operations for future recall, should that be necessary.**