



General Assembly

Distr.: General
6 June 2001

Original: English

Fifty-fifth session
Agenda item 153 (a)

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations

Report of the Fifth Committee

Rapporteur: Mr. Eduardo Manuel da Fonseca Fernandes **Ramos** (Portugal)

I. Introduction

1. The previous recommendations made by the Fifth Committee to the General Assembly under item 153 and sub-item (a) appear in the reports of the Committee contained in documents A/55/534 and A/55/534/Add.1.
2. The Fifth Committee resumed its consideration of the item at its 58th, 59th, 62nd, 63rd, 67th and 68th meetings, on 7, 8, 14, 15 and 25 May 2001. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/55/SR.58, 59, 62, 63, 67 and 68).
3. For its further consideration of the item, the Committee had before it the following documents:

Support account for peacekeeping operations

Report of the Secretary-General on the financial performance of the support account for peacekeeping operations for the period from 1 July 1999 to 30 June 2000 (A/55/861)

Report of the Secretary-General on the budget for the support account for peacekeeping operations for the period from 1 July 2001 to 30 June 2002 (A/55/862)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/55/882)



United Nations Logistics Base at Brindisi, Italy

Report of the Secretary-General concerning the financial performance of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 1999 to 30 June 2000 (A/55/714)

Report of the Secretary-General on the budget for the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 2001 to 30 June 2002 (A/55/830)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/55/874 and Add.8)

Note by the Secretary-General on the budgetary requirements of each peacekeeping operation for the period from 1 July 2000 to 30 June 2001 (A/C.5/55/37)

Note by the Secretary-General concerning amounts to be apportioned in respect of each peacekeeping mission, including the prorated share of the support account for peacekeeping operations and the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 2001 to 30 June 2002 (A/C.5/55/43)

Reformed procedures for determining reimbursement to Member States for contingent-owned equipment

Report of the Secretary-General on reformed procedures for determining reimbursement to Member States for contingent-owned equipment (A/55/815)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/55/887)

Letter dated 26 January 2001 from the Chairman of the post-Phase V Working Group on reformed procedures for determining reimbursement of contingent-owned equipment addressed to the Chairman of the Fifth Committee (A/C.5/55/39)

Reports of the Office of Internal Oversight Services

Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the investigation into the award of a fresh rations contract in a United Nations peacekeeping mission (A/54/169)

Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the audit of the management of service and ration contracts in peacekeeping missions (A/54/335)

Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the audit of the liquidation of peacekeeping missions (A/54/394 and Corr.1)

Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the management audit of United Nations civilian police operations (A/55/812)

Experiences learned from the use of resident auditors at peacekeeping missions

Report of the Secretary-General on the experiences learned from the use of resident auditors at peacekeeping missions (A/55/735)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/55/828)

Participation of United Nations Volunteers

Report of the Secretary-General on the participation of United Nations Volunteers in peacekeeping operations (A/55/697)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/55/874, paras. 41-45)

Death and disability benefits

Note by the Secretary-General on death and disability benefits (A/C.5/55/40 and Corr.1)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/55/883)

Report of the Advisory Committee on Administrative and Budgetary Questions

Report of the Advisory Committee on Administrative and Budgetary Questions (A/55/874)

II. Consideration of proposals

A. Support account for peacekeeping operations (draft resolution A/C.5/55/L.81)

4. At the 67th meeting, on 25 May, the representative of the Netherlands, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Support account for peacekeeping operations" (A/C.5/55/L.81).

5. At the same meeting, the Committee adopted draft resolution A/C.5/55/L.81 without a vote (see para. 19, draft resolution I).

6. After the adoption of the draft resolution, statements in explanation of position were made by the representatives of Sweden (on behalf of the States Members of the United Nations that are members of the European Union), the Syrian Arab Republic, Canada (on behalf of Australia, Canada and New Zealand) and India (see A/C.5/55/SR.67).

B. Financing of the United Nations Logistics Base at Brindisi, Italy (draft resolution A/C.5/55/L.90)

7. At the 67th meeting, on 25 May, the representative of Norway, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled "Financing of the United Nations Logistics Base at Brindisi, Italy" (A/C.5/55/L.90).

8. At the same meeting, the Committee adopted draft resolution A/C.5/55/L.90 without a vote (see para. 19, draft resolution II).

C. Experiences learned from the use of resident auditors at peacekeeping missions (draft resolution A/C.5/55/L.92)

9. At the 67th meeting, on 25 May, the representative of Canada, coordinator of the informal consultations on this question, introduced, on behalf of the Chairman, a draft resolution entitled “Experiences learned from the use of resident auditors at peacekeeping missions” (A/C.5/55/L.92).

10. At the same meeting, the Committee adopted draft resolution A/C.5/55/L.92 without a vote (see para. 19, draft resolution III).

11. After the adoption of the draft resolution, a statement in explanation of position was made by the representative of the Syrian Arab Republic (see A/C.5/55/SR.67).

D. Reformed procedures for determining reimbursement to Member States for contingent-owned equipment and troop costs (draft resolution A/C.5/55/L.94)

12. At the 68th meeting, on 25 May, the representative of Portugal, Rapporteur of the Committee and coordinator of the informal consultations on this question, introduced a draft resolution entitled “Reformed procedures for determining reimbursement to Member States for contingent-owned equipment and troop costs” (A/C.5/55/L.94). In introducing the provisional text of the draft resolution, the Rapporteur drew attention to an error in operative paragraph 11, namely that the words “ad hoc 2 per cent increase” be replaced by the words “additional 2 per cent increase”.

13. At the same meeting, the Committee adopted draft resolution A/C.5/55/L.94 without a vote (see para. 19, draft resolution IV).

E. Reports of the Office of Internal Oversight Services (draft decision A/C.5/55/L.85)

14. At the 67th meeting, on 25 May, the representative of Botswana, Vice-Chairman of the Committee and coordinator of the informal consultations on this question, introduced a draft decision entitled “Reports of the Office of Internal Oversight Services” (A/C.5/55/L.85).

15. At the same meeting, the Committee adopted draft decision A/C.5/55/L.85 without a vote (see para. 20, draft decision I).

16. After the adoption of the draft decision, a statement in explanation of position was made by the representative of Cuba (see A/C.5/55/SR.67).

F. Death and disability benefits (draft decision A/C.5/55/L.91)

17. At the 67th meeting, on 25 May, the representative of Portugal, Rapporteur of the Committee and coordinator of the informal consultations on this question, introduced a draft decision entitled “Death and disability benefits” (A/C.5/55/L.91).

18. At the same meeting, the Committee adopted draft decision A/C.5/55/L.91 without a vote (see para. 20, draft decision II).

III. Recommendations of the Fifth Committee

19. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I **Support account for peacekeeping operations**

The General Assembly,

Recalling its resolutions 45/258 of 3 May 1991, 47/218 A of 23 December 1992, 48/226 A of 23 December 1993, 48/226 B of 5 April 1994, 48/226 C of 29 July 1994, 49/250 of 20 July 1995, 50/11 of 2 November 1995, 50/221 A of 11 April 1996, 50/221 B of 7 June 1996, 51/226 of 3 April 1997, 51/239 A of 17 June 1997, 51/239 B and 51/243 of 15 September 1997, 52/220 of 22 December 1997, 52/234 and 52/248 of 26 June 1998, 53/12 A of 26 October 1998, 53/208 B of 18 December 1998, 53/12 B of 8 June 1999, 54/243 A of 23 December 1999, 54/243 B of 15 June 2000 and 55/238 of 23 December 2000 and its decisions 48/489 of 8 July 1994, 49/469 of 23 December 1994 and 50/473 of 23 December 1995,

Having considered the report of the Secretary-General on the budget for the support account for peacekeeping operations,¹ the performance report on the use of support account resources for the period from 1 July 1999 to 30 June 2000² and the related report of the Advisory Committee on Administrative and Budgetary Questions,³

Reaffirming the need to continue to improve the administrative and financial management of peacekeeping operations,

Recognizing the need for adequate support during all phases of peacekeeping operations, including the liquidation and termination phases,

1. *Takes note* of the report of the Secretary-General on budget for the support account for peacekeeping operations¹ and of the separate performance report on the use of support account resources for the period from 1 July 1999 to 30 June 2000;²

2. *Recognizes* the importance of the United Nations being able to respond and deploy rapidly to a peacekeeping operation upon the adoption of a Security Council mandate;

3. *Endorses* the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budget Questions,³ and requests the Secretary-General to ensure their full implementation;

¹ A/55/862.

² A/55/861.

³ A/55/882.

4. *Affirms* the need for adequate funding for the backstopping of peacekeeping operations;

5. *Reaffirms* that the expenses of the Organization, including the backstopping of peacekeeping operations, shall be borne by Member States and, to that effect, that the Secretary-General should request adequate funding to maintain the capacity of the Department of Peacekeeping Operations of the Secretariat;

6. *Decides* to maintain for the period from 1 July 2001 to 30 June 2002 the funding mechanism for the support account used in the current period, from 1 July 2000 to 30 June 2001, as approved in paragraph 3 of its resolution 50/221 B;

7. *Decides also* to continue the 562 support account-funded temporary posts;

8. *Reaffirms* the need for the Secretary-General to ensure that delegation of authority to the Department of Peacekeeping Operations and field missions is in strict compliance with relevant resolutions and decisions, as well as relevant rules and procedures of the General Assembly on this matter;

9. *Notes* the intention of the Secretary-General to submit revised resource requirements for the support account for peacekeeping operations prior to the opening of the fifty-sixth session of the General Assembly;

10. *Notes with appreciation* the intention of the Secretary-General, as reflected in paragraph 12 of the report of the Advisory Committee on Administrative and Budgetary Questions,³ to introduce changes in the presentation of the support account budget document in conformity with General Assembly resolution 55/231 of 23 December 2000 on results-based budgeting;

11. *Requests* the Secretary-General to ensure a more consistent and balanced presentation of proposals for all the departments;

12. *Requests* the Secretary-General, as a matter of urgency, to address the need for streamlining the contingent-owned equipment procedures, including processing claims and memoranda of understanding, and to strengthen the Finance Management and Support Service in the area of claims processing, and to submit to the General Assembly, at its fifty-sixth session, concrete remedial proposals to address adequately the concerns raised in paragraph 15 of the report of the Advisory Committee on Administrative and Budgetary Questions;³

13. *Decides* to appropriate the commitment authority of 3,501,600 United States dollars approved by the General Assembly in its resolution 54/243 A;

14. *Further approves* the support account post and non-post requirements in the amount of 73,645,500 dollars gross (64,361,800 dollars net) for the period from 1 July 2001 to 30 June 2002;

15. *Decides* to apply the unencumbered balance of 1,300,900 dollars from the period from 1 July 1999 to 30 June 2000, inclusive of 1,273,000 dollars in miscellaneous and interest income, and to prorate the balance of 75,846,200 dollars gross (66,562,500 dollars net) among the individual active peacekeeping operation budgets, to meet the resources required for the support account for the period from 1 July 2001 to 30 June 2002.

Draft resolution II

Financing of the United Nations Logistics Base at Brindisi, Italy

The General Assembly,

Recalling section XIV of its resolution 49/233 A of 23 December 1994,

Recalling also its decision 50/500 of 17 September 1996 on the financing of the United Nations Logistics Base at Brindisi, Italy, and its subsequent resolutions thereon, the latest of which was resolution 54/278 of 15 June 2000,

Having considered the reports of the Secretary-General on the financing of the Logistics Base⁴ and the related reports of the Advisory Committee on Administrative and Budgetary Questions,⁵

Reiterating the importance of establishing an accurate inventory of assets,

1. *Takes note* of the reports of the Secretary-General on the financing of the United Nations Logistics Base at Brindisi, Italy;⁴

2. *Endorses* the observations and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions;⁶

3. *Reiterates* the need to implement, as a matter of priority, an effective inventory management standard, especially in respect of peacekeeping operations involving high inventory value;

4. *Approves* the cost estimates for the United Nations Logistics Base amounting to 8,982,600 United States dollars gross (8,174,400 dollars net) for the period from 1 July 2001 to 30 June 2002;

5. *Decides* to apply the unencumbered balance of 430,500 dollars in respect of the period from 1 July 1999 to 30 June 2000, the interest income of 289,000 dollars and miscellaneous income of 340,000 dollars (1,059,500 dollars in total) to the resources required for the period from 1 July 2001 to 30 June 2002;

6. *Decides also* to prorate the balance of 7,923,100 dollars gross (7,114,900 dollars net) among the individual active peacekeeping operation budgets to meet the financing requirements of the United Nations Logistics Base for the period from 1 July 2001 to 30 June 2002;

7. *Authorizes* the Secretary-General to provide for a civilian establishment consisting of ten Professional, thirteen Field Service and eighty-three locally recruited staff;

8. *Decides* to consider during its fifty-sixth session the question of the financing of the United Nations Logistics Base at Brindisi.

⁴ A/55/714 and A/55/830.

⁵ A/55/874 and Add.8.

⁶ A/55/874/Add.8.

**Draft resolution III
Experiences learned from the use of resident auditors at
peacekeeping missions**

The General Assembly,

Recalling paragraph 9 of its resolution 54/241 of 23 December 1999,

Having considered the report of the Secretary-General on experiences learned from the use of resident auditors at peacekeeping missions,⁷ and the related report of the Advisory Committee on Administrative and Budgetary Questions,⁸

1. *Takes note* of the report of the Secretary-General;⁷
2. *Endorses* the observations of the Advisory Committee on Administrative and Budgetary Questions.⁸

**Draft resolution IV
Reformed procedures for determining reimbursement to
Member States for contingent-owned equipment and troop costs**

The General Assembly,

Recalling its resolutions 49/233 A of 23 December 1994, 50/222 of 11 April 1996, 51/218 E of 17 June 1997, 54/19 A of 29 October 1999 and 54/19 B of 15 June 2000,

Recalling also its decision 55/452 of 23 December 2000, by which the Secretary-General was requested to convene the post-Phase V Working Group,

Having considered the report of the post-Phase V Working Group on the reformed procedures for determining reimbursement of contingent-owned equipment, as transmitted by the Chairman of the Working Group to the Chairman of the Fifth Committee,⁹ the report of the Secretary-General,¹⁰ and the related report of the Advisory Committee on Administrative and Budgetary Questions,¹¹ on the reform of the procedures for determining reimbursement to Member States for contingent-owned equipment and troop costs,

1. *Endorses* the recommendations of the post-Phase V Working Group on reform procedures for determining reimbursement of contingent-owned equipment and troop costs, as outlined in paragraph 17 of the report of the Secretary-General¹⁰ subject to the provisions of the present resolution;
2. *Takes note of* the recommendations of the Advisory Committee on Administrative and Budgetary Questions;
3. *Affirms* the importance of conducting peacekeeping operations with the maximum of efficiency and effectiveness and the need to minimize delays in processing reimbursement to troop- and equipment-contributing countries;

⁷ A/55/735.

⁸ A/55/828.

⁹ A/C.5/55/39.

¹⁰ A/55/815.

¹¹ A/55/887.

4. *Recognizes* the fact that delay and uncertainty in reimbursements to troop-contributing countries of troop and contingent-owned equipment costs adversely impacts on the ability of current and potential troop-contributing countries to effectively participate in United Nations peacekeeping operations and, in this context, emphasizes the need for all Member States to pay their assessed contributions to all peacekeeping operations in full, on time and without preconditions;

5. *Stresses* that necessary resources should be provided to the Secretariat to allow verifications to be conducted to confirm, before deployment, the preparedness of each potential troop contributor and to ensure that standards continue to be met in accordance with the provisions of the relevant memoranda of understanding;

6. *Notes* that the evaluation and standardization of United Nations peacekeeping training are currently being developed by the Secretariat in consultation with troop-contributing countries, and requests the Secretary-General to submit a report on this important issue to the General Assembly at its fifty-sixth session, through the Special Committee on Peacekeeping, for approval of these standards;

7. *Recognizes* the need for providing specific guidance on the methodology of reimbursements for troop costs;

8. *Requests* the Secretary-General to submit to the General Assembly for its approval at its resumed fifty-sixth session, taking into account the views expressed by Member States, a methodology for reimbursement for troop costs, covering troops and formed police units, and a questionnaire to be submitted to troop-contributing countries, on the basis of the following elements and guidelines:

(a) Troops, formed civilian police units and staff officers serving in United Nations peacekeeping operations shall be reimbursed on an equal basis for identical services;

(b) Reimbursement for troop costs shall take into consideration, inter alia, general principles such as simplicity, equity, transparency, comprehensiveness, portability, financial control and audit and confirmed delivery of specified services, all of which shall be built into the agreements entered into by the United Nations with the participating States;

(c) The data for this survey shall identify the common and essential additional costs from existing troop levels related to personnel that are incurred by troop-contributing countries due to their participation in United Nations peacekeeping operations, including the establishment of a standard vaccination package and identification of mission-specific vaccines and mission-specific medical and biochemical examinations, using the data available from the World Health Organization and the United Nations Children's Fund, that could be liable for reimbursement;

(d) The methodology shall ensure that no double payment is made with respect to reimbursement between the various levels of self-sustainment, components of troop costs and any other allowances;

9. *Decides* that a future standard rate of reimbursement for troop costs should be based on new survey data that is representative of the costs incurred by

around 60 per cent of countries that have contributed troops to peacekeeping operations;

10. *Also decides*, on an interim and ad hoc basis, to increase the standard rate of reimbursement for troop costs to troop-contributing countries by 2 per cent effective 1 July 2001;

11. *Further decides* that an additional 2 per cent increase, on an interim and ad hoc basis, will be effective as of 1 January 2002, bringing the total increase of the current rate of reimbursement for troop costs to 4 per cent;

12. *Requests* the Secretary-General to review the practical aspects of the wet-lease, dry-lease and self-sustainment arrangements, including the effectiveness of the contingent-owned equipment procedures to ascertain the capacity of troop-contributing countries to meet the requirements for wet-lease and self-sustainment provisions of the contingent-owned equipment arrangements and the need to ensure the effectiveness of peacekeeping operations, including through a consistent implementation of the standards set out in the contingent-owned manual, and to report thereon to the General Assembly at its fifty-sixth session;

13. *Stresses* the need for the Secretariat to meet its obligations, in full, as agreed upon in the memoranda of understanding, in a timely manner, so as to ensure operational effectiveness of the troops in United Nations peacekeeping operations;

14. *Takes note* of the views of the Secretariat regarding the possibility of reviewing, subject to future experience, the procedures for settlement of liability for damages for major equipment used by one country and owned by another country, and decides that the liability for damage to major equipment used by one country and owned by another should be based on the relevant provisions of their memoranda of understanding in accordance with the applicable rules and regulations of the United Nations;

15. *Requests* the Secretary-General to convene an open-ended working group of experts, for a period of no less than ten working days, to hold a triennial review of reimbursement rates for contingent-owned equipment and self-sustainment, including medical service, in 2004;

16. *Decides* to keep this matter under review at its fifty-sixth session.

* * *

20. The Fifth Committee also recommends to the General Assembly the adoption of the following draft decisions:

Draft decision I

Reports of the Office of Internal Oversight Services

The General Assembly:

(a) *Notes* the following reports:

(i) Report of the Office of Internal Oversight Services on the investigation into the award of a fresh rations contract in a United Nations peacekeeping mission (A/54/169);¹²

(ii) Report of the Office of Internal Oversight Services on the audit of the management of service and ration contracts in peacekeeping missions (A/54/335);¹³

(iii) Report of the Office of Internal Oversight Services on the audit of the liquidation of peacekeeping missions (A/54/394 and Corr.1);¹⁴

(iv) Report of the Office of Internal Oversight Services on the management audit of United Nations civilian police operations (A/55/812);¹⁵

(b) *Reiterates* that reports of the Office of Internal Oversight Services should be considered under the relevant items of the agenda of the General Assembly in conformity with the relevant provisions of the Charter of the United Nations and the rules of procedure of the General Assembly.

Draft decision II

Death and disability benefits

The General Assembly notes the note by the Secretary-General on death and disability benefits¹⁶ and the related report of the Advisory Committee on Administrative and Budgetary Questions.¹⁷

¹² A/54/169.

¹³ A/54/335.

¹⁴ A/54/394 and Corr.1.

¹⁵ A/55/812.

¹⁶ A/C.5/55/40 and Corr.1.

¹⁷ A/55/883.