



# General Assembly

Distr.: General  
8 June 2004  
English  
Original: Arabic

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## Fifty-eighth session

Agenda item 134

### **Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations**

#### **Report of the Fifth Committee**

*Rapporteur:* Mr. Fouad **Rajeh** (Saudi Arabia)

#### **I. Introduction**

1. The previous recommendations made by the Fifth Committee to the General Assembly under item 134 appear in the reports of the Committee contained in documents A/58/582 and Add.1.
2. The Fifth Committee resumed its consideration of the item at its 40th, 41st, 43rd and 51st meetings, on 3, 4 and 13 May and 3 June 2004. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/58/SR.40, 41, 43, and 51).
3. For its further consideration of the item, the Committee had before it the following documents:

#### **Financing of the United Nations peacekeeping operations**

(a) Report of the Secretary-General on overview of the financing of United Nations peacekeeping operations: budget performance for the period from 1 July 2002 to 30 June 2003 and budget for the period from 1 July 2004 to 30 June 2005 (A/58/705);

(b) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/58/759);

#### **Support account for peacekeeping operations**

(c) Report of the Secretary-General on the performance report on the budget for the support account for peacekeeping operations for the period from 1 July 2002 to 30 June 2003 (A/58/703 and Add.1);

(d) Report of the Secretary-General on the budget for the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 (A/58/715);

(e) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/58/760);

#### **United Nations Logistics Base at Brindisi, Italy**

(f) Report of the Secretary-General on the performance report on the budget of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 2002 to 30 June 2003 (A/58/702);

(g) Report of the Secretary-General on the budget for the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 2004 to 30 June 2005 (A/58/706);

(h) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/58/759/Add.9);

(i) Report of the Secretary-General on analysis of establishing a global procurement hub for all peacekeeping missions in Brindisi, Italy (A/58/762);

(j) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/58/796);

#### **Implementation of the strategic deployment stocks**

(k) Report of the Secretary-General on the status of the implementation of the strategic deployment stocks (A/58/707);

(l) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/58/759/Add.9);

#### **Field assets control system**

(m) Report of the Secretary-General on progress in the implementation of the field assets control system (A/57/765);

(n) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/58/7 and Corr.1, paras. II.36 and II.37);

#### **Closed peacekeeping missions**

(o) Report of the Secretary-General concerning the updated financial position of closed peacekeeping missions as at 30 June 2003 (A/58/778):

- Military Observer Group of the United Nations Verification Mission in Guatemala
- United Nations Mission in Haiti
- United Nations Observer Group in Central America and United Nations Observer Mission in El Salvador
- United Nations Operation in Mozambique
- United Nations Operation in Somalia

- United Nations Preventive Deployment Force
- United Nations Protection Force, United Nations Confidence Restoration Operation in Croatia, United Nations Preventive Deployment Force and United Nations Peace Forces headquarters
- United Nations Support Mission in Haiti, United Nations Transition Mission in Haiti and United Nations Civilian Police Mission in Haiti
- United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium and the Civilian Police Support Group
- United Nations Transitional Authority in Cambodia
- United Nations Mission of Observers in Tajikistan
- United Nations Angola Verification Mission
- United Nations Observer Mission in Angola
- United Nations Observer Mission in Liberia
- United Nations Observer Mission Uganda-Rwanda
- United Nations Assistance Mission for Rwanda
- United Nations Military Liaison Team in Cambodia
- United Nations Iran-Iraq Military Observer Group
- United Nations Mission in the Central African Republic
- United Nations Transition Assistance Group

(p) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/58/799);

#### **Peacekeeping Reserve Fund**

(q) Report of the Secretary-General on the Peacekeeping Reserve Fund (A/58/724);

(r) Related report of the Advisory Committee on Administrative and Budgetary Questions (A/58/732);

#### **Administration of peacekeeping trust funds**

(s) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the administration of peacekeeping trust funds (A/58/613);

#### **Evaluation of the impact of the recent restructuring of the Department of Peacekeeping Operations**

(t) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the evaluation of the impact of the recent restructuring of the Department of Peacekeeping Operations (A/58/746);

### **Recruitment**

(u) Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the audit policies and procedures for recruiting Department of Peacekeeping Operations staff (A/58/704);

### **Mission liquidation activities**

(v) Note by the Secretary-General transmitting a note by the Office of Internal Oversight Services updating the status of its recommendations on mission liquidation activities at the United Nations (A/56/896);

(w) Note by the Secretary-General transmitting a note by the Office of Internal Oversight Services on the results of a follow-up review of the status of recommendations of the Office of Internal Oversight Services on mission liquidation activities at the United Nations (A/57/622);

### **Budgetary levels for peacekeeping operations**

(x) Note by the Secretary-General on the approved budgetary levels for peacekeeping operations for the period from 1 July 2003 to 30 June 2004 (A/C.5/58/35);

(y) Note by the Secretary-General providing the six-month update of information on the proposed budgetary levels for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 (A/C.5/58/36);

(z) Note by the Secretary-General on the financing of the support account for peacekeeping operations and the financing of the United Nations Logistics Base at Brindisi, Italy (A/C.5/58/39).

## **II. Consideration of proposals**

### **A. Draft resolution A/C.5/58/L.72**

4. At its 51st meeting, on 3 June, the Committee had before it a draft resolution entitled "Financing of the United Nations Logistics Base at Brindisi, Italy" (A/C.5/58/L.72), which was submitted by the representative of Venezuela, Vice-Chairman of the Committee, on the basis of informal consultations.

5. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.72 without a vote (see para. 10, draft resolution I).

### **B. Draft resolution A/C.5/58/L.88**

6. Also at its 51st meeting, on 3 June, the Committee had before it a draft resolution entitled "Support account for peacekeeping operations" (A/C.5/58/L.88), which was submitted by the Chairman on the basis of informal consultations coordinated by the representative of Nigeria.

7. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.88 without a vote (see para. 10, draft resolution II).

**C. Draft resolution A/C.5/58/L.90**

8. At its 51st meeting, on 3 June, the representative of Belgium introduced a draft resolution entitled "Reports of the Office of Internal Oversight Services" (A/C.5/58/L.90), which he submitted on behalf of the Chairman on the basis of informal consultations. He also made a statement on the informal consultations that he had coordinated.

9. At the same meeting, the Committee adopted draft resolution A/C.5/58/L.90 without a vote (see para. 10, draft resolution III).

### III. Recommendations of the Fifth Committee

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

#### **Draft resolution I 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 and decisions thereon, the latest of which was decision 58/557 of 23 December 2003,

*Recalling further* its resolution 56/292 of 27 June 2002 concerning the establishment of the strategic deployment stocks and its subsequent resolution 57/315 of 18 June 2003 on the status of the implementation of the strategic deployment stocks,

*Having considered* the reports of the Secretary-General on the financing of the United Nations Logistics Base,<sup>1</sup> the status of the strategic deployment stocks,<sup>2</sup> the field assets control system<sup>3</sup> and the analysis of establishing a global procurement hub for all peacekeeping missions in Brindisi<sup>4</sup> and the related reports of the Advisory Committee on Administrative and Budgetary Questions,<sup>5</sup>

*Reiterating* the importance of establishing an accurate inventory of assets,

1. *Notes with appreciation* the facilities provided by the Government of Italy to the United Nations Logistics Base at Brindisi;

2. *Endorses* the observations and recommendations contained in the reports of the Advisory Committee on Administrative and Budgetary Questions,<sup>6</sup> and requests the Secretary-General to ensure their full implementation;

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. *Also reiterates* paragraph 2 of its resolution 56/292 of 27 June 2002, and requests the Secretary-General to report thereon expeditiously;

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<sup>1</sup> A/58/702, A/58/705 and A/58/706.

<sup>2</sup> A/58/707.

<sup>3</sup> A/57/765.

<sup>4</sup> A/58/762.

<sup>5</sup> *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 7* and corrigendum (A/58/7 and Corr.1), paras. 11.36 and 11.37, A/58/759, A/58/759/Add.9 and A/58/796.

<sup>6</sup> *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 7* and corrigendum (A/58/7 and Corr.1) and A/58/759/Add.9.

**Field assets control system**

5. *Takes note* of the report of the Secretary-General on progress in the implementation of the field assets control system;<sup>3</sup>

**Strategic deployment stocks**

6. *Takes note also* of the report of the Secretary-General on the status of the implementation of the strategic deployment stocks;<sup>2</sup>

7. *Requests* the Secretary-General to report to the General Assembly at its fifty-ninth session on the functioning of existing mechanisms of the strategic deployment stocks, in the light of lessons learned from experiences with mission start-ups;

**Global procurement hub**

8. *Takes note* of the report of the Secretary-General on the analysis of establishing a global procurement hub in Brindisi;<sup>4</sup>

9. *Endorses* the observations and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions,<sup>7</sup> and requests the Secretary-General to ensure their full implementation;

**Financial performance report for the period from 1 July 2002 to 30 June 2003**

10. *Takes note* of the report of the Secretary-General on the financial performance of the United Nations Logistics Base at Brindisi for the period from 1 July 2002 to 30 June 2003;<sup>8</sup>

**Budget estimates for the period from 1 July 2004 to 30 June 2005**

11. *Approves* the cost estimates for the United Nations Logistics Base at Brindisi amounting to 28,422,000 United States dollars for the period from 1 July 2004 to 30 June 2005;

**Financing of the budget estimates**

12. *Decides* to apply the balance of other income and adjustments in the total amount of 3,173,700 dollars in respect of the financial period ended 30 June 2003 to the resources required for the period from 1 July 2004 to 30 June 2005;

13. *Also decides* that the increase of 9,900 dollars in the estimated staff assessment income in respect of the financial period ended 30 June 2003 shall be added to the credits from the amount referred to in paragraph 12 above;

14. *Further decides* to prorate the balance of 25,248,300 dollars among the individual active peacekeeping operation budgets to meet the financing requirements of the United Nations Logistics Base at Brindisi for the period from 1 July 2004 to 30 June 2005;

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<sup>7</sup> A/58/796.

<sup>8</sup> A/58/702.

15. *Decides* to set off against the balance referred to in paragraph 14 above the estimated staff assessment income of 1,412,500 dollars for the period from 1 July 2004 to 30 June 2005, representing the difference between the estimated staff assessment income of 1,560,600 dollars for the period from 1 July 2004 to 30 June 2005 and the adjustment in the staff assessment income of 148,100 dollars related to the period ended 30 June 2001, to be prorated among the individual active peacekeeping operation budgets;

16. *Also decides* to consider during its fifty-ninth session the question of the financing of the United Nations Logistics Base at Brindisi.



## Draft resolution II

### 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, 56/241 of 24 December 2001, 56/293 of 27 June 2002 and 57/318 of 18 June 2003, its decisions 48/489 of 8 July 1994, 49/469 of 23 December 1994 and 50/473 of 23 December 1995 and other relevant resolutions of the General Assembly,

*Having considered* the reports of the Secretary-General on the financing of the support account for peacekeeping operations<sup>1</sup> and the related reports of the Advisory Committee on Administrative and Budgetary Questions,<sup>2</sup>

*Recognizing* the importance of the United Nations being able to respond and deploy rapidly to a peacekeeping operation upon adoption of a relevant resolution of the Security Council, within thirty days for traditional peacekeeping operations and ninety days for complex peacekeeping operations,

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

*Mindful* that the level of the support account should broadly correspond to the mandate, number, size and complexity of peacekeeping missions,

1. *Takes note* of the reports of the Secretary-General on the financing of the support account for peacekeeping operations;<sup>1</sup>

2. *Reaffirms* the need for effective and efficient administration and financial management of peacekeeping operations, and urges the Secretary-General to continue to identify measures to increase the productivity and efficiency of the support account;

3. *Also reaffirms* the need for adequate funding for the backstopping of peacekeeping operations, as well as the need for full justification for that funding in support account budget submissions;

4. *Endorses* the conclusions and recommendations contained in the relevant report of the Advisory Committee on Administrative and Budgetary Questions;<sup>3</sup>

5. *Decides* to maintain, for the period from 1 July 2004 to 30 June 2005, the funding mechanism for the support account used in the current period, from 1 July 2003 to 30 June 2004, as approved in paragraph 3 of its resolution 50/221 B of 7 June 1996;

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

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<sup>1</sup> A/58/703 and Add.1, A/58/705 and A/58/715.

<sup>2</sup> A/58/759 and A/58/760.

<sup>3</sup> A/58/760.

7. *Also reaffirms* paragraph 15 of its resolution 56/293, regrets that the report requested in paragraph 10 of its resolution 57/318 was not submitted at its fifty-eighth session, and decides to consider it at its fifty-ninth session;

8. *Decides* to continue its consideration of the implementation of the restructuring of the Department of Peacekeeping Operations, in the context of the review requested in paragraph 14 of resolution 57/318, at the second part of its resumed fifty-ninth session;

9. *Requests* the Secretary-General to report at its fifty-ninth session on the status of the civilian rapid deployment roster, including measures to improve its utility, taking into account recent experiences with its use;

10. *Also requests* the Secretary-General to review the level of the support account, including the need for existing posts, in future budget submissions, taking into consideration the number, size and complexity of peacekeeping operations;

11. *Notes with concern*, as observed by the Advisory Committee in paragraph 21 of its report,<sup>3</sup> that the implementation of paragraph 18 of resolution 57/318 is not consistent with the requirement of the resolution;

12. *Reiterates* paragraph 18 of resolution 57/318, and requests the Secretary-General to submit, during future considerations of the support account budget, information as outlined in paragraph 22 of the report of the Advisory Committee<sup>3</sup> with respect to posts that will have been vacant for at least 12 months by 30 June of a given year on the understanding that, in the interim, until such consideration by the General Assembly, the recruitment process will not be affected;

#### **Financial performance report for the period from 1 July 2002 to 30 June 2003**

13. *Takes note* of the report of the Secretary-General on the financial performance of the support account for peacekeeping operations for the period from 1 July 2002 to 30 June 2003;<sup>4</sup>

#### **Budget estimates for the period from 1 July 2004 to 30 June 2005**

14. *Approves* the support account requirements in the amount of 121,610,300 United States dollars for the period from 1 July 2004 to 30 June 2005, including seven hundred and forty-three continuing and eighteen new temporary posts and their related post and non-post requirements;

#### **Financing of the budget estimates**

15. *Decides* that requirements for the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 shall be financed as follows:

(a) The unencumbered balance and other income in the total amount of 8,478,600 dollars, comprising 8,350,800 dollars in respect of the period ended 30 June 2003 and the adjustment of 127,800 dollars related to the period ended 30 June 2001, to be applied to the resources required for the period from 1 July 2004 to 30 June 2005;

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<sup>4</sup> A/58/703 and Add.1.

(b) The increase of 59,000 dollars in the estimated staff assessment income, representing the difference between 682,000 dollars in respect of the financial period ended 30 June 2003 and the adjustment of 741,000 dollars related to the period ended 30 June 2001, to be applied to the amount referred to in paragraph (a) above;

(c) The balance of 113,131,700 dollars to be prorated among the budgets of the active peacekeeping operations for the period from 1 July 2004 to 30 June 2005;

(d) The estimated staff assessment income of 16,509,400 dollars for the period from 1 July 2004 to 30 June 2005 to be set off against the balance referred to in paragraph (c) above, to be prorated among the budgets of the individual active peacekeeping operations.

### **Draft resolution III Reports of the Office of Internal Oversight Services**

*The General Assembly,*

*Recalling* its resolutions 48/218 B of 29 July 1994, 54/244 of 23 December 1999, 56/241 and 56/246 of 24 December 2001 and 57/278 B of 18 June 2003,

*Having considered* the reports of the Office of Internal Oversight Services on: the evaluation of the impact of the recent restructuring of the Department of Peacekeeping Operations;<sup>1</sup> the follow-up review of the status of recommendations of the Office of Internal Oversight Services on mission liquidation activities at the United Nations;<sup>2</sup> the administration of peacekeeping trust funds;<sup>3</sup> and the investigation into the fraudulent diversion of 4.3 million United States dollars by a senior staff member of the reconstruction pillar of the United Nations Interim Administration Mission in Kosovo,<sup>4</sup>

1. *Takes note* of the reports of the Office of Internal Oversight Services on: the evaluation of the impact of the recent restructuring of the Department of Peacekeeping Operations;<sup>1</sup> the follow-up review of the status of recommendations of the Office of Internal Oversight Services on mission liquidation activities at the United Nations;<sup>2</sup> the administration of peacekeeping trust funds;<sup>3</sup> and the investigation into the fraudulent diversion of \$4.3 million by a senior staff member of the reconstruction pillar of the United Nations Interim Administration Mission in Kosovo;<sup>4</sup>

2. *Decides* to revert to the consideration of the report of the Office of Internal Oversight Services on the audit of the policies and procedures for recruiting staff for the Department of Peacekeeping Operations<sup>5</sup> during its fifty-ninth session, in the context of its consideration of the items entitled “Human resources management” and “Administrative and budgetary aspects of the functioning of the United Nations peacekeeping operations”;

3. *Notes* that the Board of Auditors will act upon General Assembly resolution 57/318 of 18 June 2003 once it has considered the report of the Office of Internal Oversight Services and assessed what additional evaluation it might provide,<sup>6</sup> and also notes that the General Assembly may revert at that time to the report of the Office of Internal Oversight Services.

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<sup>1</sup> A/58/746.

<sup>2</sup> A/57/622.

<sup>3</sup> A/58/613.

<sup>4</sup> A/58/592 and Corr.1.

<sup>5</sup> A/58/704.

<sup>6</sup> *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 5 (A/58/5)*, vol. II, chap. II, para. 6.