



# General Assembly

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### Financing of the United Nations Mission for the Referendum in Western Sahara

## Financial performance report for the period from 1 July 2004 to 30 June 2005 and proposed budget for the period from 1 July 2006 to 30 June 2007 of the United Nations Mission for the Referendum in Western Sahara

### Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation 2004/05	\$41,860,000
Expenditure 2004/05	\$41,398,000
Appropriation 2005/06	\$45,540,400
Proposal submitted by the Secretary-General 2006/07	\$42,804,400
Recommendation of the Advisory Committee 2006/07	\$42,778,200

## I. Introduction

1. The recommendation of the Advisory Committee on Administrative and Budgetary Questions set out in paragraph 25 below would entail a reduction of \$26,200 in the proposed budget for the United Nations Mission for the Referendum in Western Sahara (MINURSO) for the period from 1 July 2006 to 30 June 2007. The Advisory Committee also makes a number of observations and recommendations with regard to the administration and management of the Mission and opportunities for further savings.

2. The general report of the Advisory Committee on administrative and budgetary aspects of peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. In the present report, the Committee deals with resources and other items that relate specifically to MINURSO.



3. The documents used by the Advisory Committee in its consideration of the financing of MINURSO are listed at the end of the present report.

## **II. Financial performance for the period from 1 July 2004 to 30 June 2005**

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 58/309, appropriated to the special account for MINURSO \$44,041,200 for the period from 1 July 2004 to 30 June 2005, inclusive of \$41,860,000 gross (\$38,951,100 net) for the maintenance of the Mission, \$1,783,200 for the support account for peacekeeping operations and \$398,000 for the United Nations Logistics Base at Brindisi, Italy. The full amount has been assessed on Member States.

5. Expenditure for the maintenance of the Mission for the period totalled \$41,398,000 gross (\$39,086,100 net); the resulting unencumbered balance of \$462,000 represents, in gross terms, 1.1 per cent of the total appropriation or a budget implementation rate of 98.9 per cent (A/60/634, sect. III.A).

6. The Mission's unutilized balance of \$462,000 is the net effect of savings and additional requirements under various line items. It is evident from supplementary information provided to the Advisory Committee that savings under international staff were attributable to an actual vacancy rate of 13.9 per cent, as compared with a budgeted vacancy rate of 10 per cent. The unutilized balance under national staff was due to lower payments for salaries and common staff costs: actual payments were at level 3, step 4, of the local salary scale, whereas the budget was based on the assumption of level 4, step 1. Furthermore, the national staff vacancy rate was 5 per cent, as compared to a budgeted vacancy rate of zero per cent.

7. Savings were also reported for operational requirements. The unspent balance under utilities was attributable mainly to the fact that fuel for generators had been erroneously budgeted under utilities but recorded under petrol, oil and lubricants, resulting in overruns for the latter. Under ground transportation, the purchase of 15 vehicles was cancelled following the receipt of the same type of vehicles from other missions; MINURSO was responsible for the payment of shipping costs only. Further savings were achieved by changing to a new bank offering lower charges.

8. Meanwhile, additional expenditures were incurred in connection with military and police personnel owing to higher than anticipated average costs of rotation of military observers (\$4,812 per rotation instead of a budgeted amount of \$4,500); higher costs for rations (\$11.95 per person per day instead of a budgeted amount of \$11.60); and the settlement of a deployment and repatriation transportation claim from 1998/99 following the receipt of required documentation. Cost overruns were incurred under common international staff costs because those costs were budgeted at 37.8 per cent of staff salaries, while actual expenditures amounted to 51.9 per cent of salaries.

9. Additional requirements with regard to operational costs occurred as a result of travel in connection with management training, as well as technical training on air safety and generator maintenance. Supplementary information provided to the Committee showed that cost overruns were also incurred as a result of the hiring, at an average monthly cost of \$600, of 20 additional casual labourers for maintenance

services and of individual contractors as security guards. Cost overruns under air transportation occurred owing to the payment of prior-period navigation charges following the delayed receipt of required supporting documentation; fixed-wing aircraft rental and operation because of increased flight hours (2,483 flight hours instead of 1,920 hours budgeted) and higher petrol, oil and lubricant costs due to higher fuel prices; and an increase in rotary-wing aircraft contract prices. Finally, an unbudgeted loss in the amount of \$170,600 was incurred as a result of exchange rate fluctuations.

10. The comments of the Advisory Committee on the individual objects of expenditure contained in the performance report can be found in the discussion of the proposed budget for the period from 1 July 2006 to 30 June 2007 below.

11. The Secretary-General, in his report on liabilities and proposed funding for after-service health insurance (A/60/450 and Corr.1), proposed a number of measures that need to be taken to fund and account for accrued liabilities for after-service health insurance benefits. The measures provide, inter alia, for the transfer of \$250 million from unencumbered balances and savings on or cancellation of prior-period obligations of active peacekeeping missions as at the end of the 2005 fiscal year. **Depending on the decision of the General Assembly, there may be a consequential impact on the financing of MINURSO and other peacekeeping operations.**

### III. Information on performance for the current period

12. The Advisory Committee was informed that, as at 31 December 2005, a total of \$584,014,800 had been assessed on Member States with respect to MINURSO since its inception. Payments received as at the same date amounted to \$521,160,300, leaving an outstanding balance of \$62,854,500. As at 13 March 2006, the cash position of the Mission was \$6 million, and unliquidated obligations for the period from 1 July 2004 to 30 June 2005 amounted to \$1,947,300. Loans in the amount of \$11.5 million from the special accounts of the United Nations Protection Force were outstanding.

13. The Advisory Committee was also informed that the amount reimbursed for troop costs up to 31 March 2002 totalled \$5,548,010, while the amount owed for the period from 1 April 2002 to 30 April 2006 was \$1,168,512. The Secretary-General notes in his report to the Security Council that, as a consequence of the non-payment of assessed contributions to the Special Account for MINURSO in the amount of \$62,854,500, the Organization had not been in a position to reimburse the troop-contributing Governments for any costs incurred since April 2002 (S/2006/249, para. 30). **The Advisory Committee regrets this situation.** With regard to contingent-owned equipment, the Committee was informed that as at 30 April 2006, an amount of \$6,683,006 had been reimbursed and the estimated amount owed was \$3.1 million, while unliquidated obligations for the period ending on that date totalled \$600,590. In respect of death and disability compensation, \$315,000 had been paid, since the Mission's inception, as at 30 April 2006 for 10 claims, and unliquidated obligations amounted to \$23,000.

14. The Advisory Committee was informed that, as at 31 May 2006, the incumbency of MINURSO for the period from 1 July 2005 to 30 June 2006 was as follows:

	<i>Posts authorized</i>	<i>Posts encumbered</i>	<i>Vacancy/delayed deployment rate (percentage)</i>
Military observers	203	196	3.5
Military contingent personnel	27	27	—
United Nations police <sup>a</sup>	8	4	50.0
International staff <sup>a</sup>	145	122	16.0
National staff	128	115	10.2
Government-provided personnel	10	4	60.0

<sup>a</sup> Exclusive of 157 international staff and 73 civilian police for whom budgetary provisions were not made as a result of the suspension of the activities of the Identification Commission.

15. The Advisory Committee was provided with current and projected expenditure data for the period from 1 July 2005 to 30 June 2006 (see annex). Expenditures as at 15 June 2006 amounted to \$36,385,771 gross, against an appropriation of \$45,540,400 gross.

**16. The Advisory Committee notes that the low level of the unencumbered balance projected to remain at the end of the 2005/06 budget period indicates that the Mission is making efforts to meet its overall financial goals. This was taken into consideration in the preparation of the 2006/07 budget proposal. It thus appears that budgetary assumptions have been refined to ensure that the Mission's financial resources are utilized and managed properly, as is reflected in the above-noted 98.9 per cent budget implementation rate for the 2004/05 period.**

17. In connection with the Mission's vacancy rates for international staff (14.7 per cent) and national staff (10.2 per cent), the Advisory Committee notes that for the 2006/07 period, a net decrease of a total of 30 international staff and a net increase of 21 national staff has been proposed (see the Committee's comments on civilian personnel below).

**18. The Advisory Committee notes from tables which were provided upon enquiry that, as at 14 June 2006, 24 posts remained vacant and 3 posts were encumbered at a lower level than authorized, and recalls its comments in this connection in its previous report on MINURSO (A/59/736/Add.5, paras. 19 and 20). In view of the Mission's restructuring efforts, the Committee will continue to monitor these matters and will consider the budgeted vacancy rate and staffing levels in the context of the 2007/08 budget proposal.**

#### **IV. Proposed budget for the period from 1 July 2006 to 30 June 2007**

##### **A. Mandate and planned results**

19. In its resolution 1675 (2006), the Security Council decided to extend the mandate of MINURSO until 31 October 2006. The Advisory Committee notes from the report of the Secretary-General of 13 October 2005 (S/2005/648, paras. 19-21) and from the proposed budget (A/60/724, paras. 5-12) that three restructuring

reviews were conducted during the 2005/06 period: (a) a review of the structure of administrative and other civilian components; (b) a security assessment by the Department of Safety and Security, which resulted in a proposed increase of 24 security-related civilian posts; and (c) a military operational audit.

**20. With regard to the results-based budgeting framework, the Advisory Committee notes the overall improvement made in the presentation of expected accomplishments, indicators of achievement and outputs, and trusts that further refinements will continue to be made.**

## B. Resource requirements

### 1. Military and civilian police personnel

<i>Category</i>	<i>Approved 2005/06</i>	<i>Proposed 2006/07</i>	<i>Variance</i>
Military observers	203	203	—
Military contingents	27	27	—
United Nations police <sup>a</sup>	8	6	(2)

<sup>a</sup> Excludes 73 civilian police (as a result of the suspension of the activities of the Identification Commission).

21. The proposed budget for the period 2006/07 for military observers, military contingents and civilian police personnel amounts to \$6,478,700, reflecting an increase of \$45,900, or 0.7 per cent. The sum of the overall increased requirements is a combination of anticipated increases and decreases under various budget line items, as noted from supplementary information provided to the Advisory Committee. Increased requirements are expected for: (a) rations for military observers due to price increases (from \$9 per person per day for 2005/06 to \$10 for 2006/07); (b) the first-time inclusion of a provision for laboratory equipment as contingent-owned equipment for a level I medical unit; and (c) rotation costs for six civilian police officers at \$5,000 per officer per rotation. Reduced requirements are expected for mission subsistence allowance, clothing allowance and rations owing to the proposed reduction of civilian police from eight officers during 2005/06 to six in 2006/07.

### 2. Civilian personnel

<i>Category</i>	<i>Approved 2005/06</i>	<i>Proposed 2006/07</i>	<i>Variance</i>
International staff	145 <sup>a</sup>	115	(28)
National staff	128	149	22
United Nations Volunteers	-	23	23

<sup>a</sup> Excluding 157 international staff posts: 156 for the Office of the Identification Commission and 1 for the Office for the Police Commissioner. These posts were indicated as “suspended”, without any budget provision, in the 2005/06 staffing table; the 2006/07 staffing table proposes their abolishment.

22. The proposed budget for the period 2006/07 for civilian personnel amounts to \$17,332,400, reflecting a decrease of \$212,600, or 1.2 per cent, from the 2005/06 apportionment of \$17,545,000. The budget document states in paragraph 5 that the overall proposed level of human resources was the result of two reviews: a management review (May 2005) and a security assessment (December 2005). The report further explains in paragraph 11 that the net reduction of 12 posts (or 4 per cent of overall civilian staffing), as a result of the management review conducted by the Department of Peacekeeping Operations, the increase of 24 security posts as a result of the recently completed security assessment and the increase of 2 temporary civilian positions for the establishment of a Conduct and Discipline Team in the Mission would result in an overall increase of 14 posts.

**23. The Advisory Committee welcomes the implementation of the management reviews referred to above and recommends approval of the Secretary-General's proposals for civilian staff, with the exception of one position in the Conduct and Discipline Unit (see paras. 24 and 25 below). In view of its recommendation and the limited time available for the production of the present report in order for it to be submitted promptly to the General Assembly, the Committee will not include its usual summary of the staffing changes, which are set out in detail in the report of the Secretary-General.**

24. With regard to the Conduct and Discipline Unit, the Secretary-General is recommending the establishment of one Chief Conduct and Discipline Officer position at the P-5 level and one Conduct and Discipline Assistant position at the national General Service level (using general temporary assistance resources), in the Office of the Special Representative of the Secretary-General (A/60/724, para. 15).

**25. Upon enquiry, the Advisory Committee was informed that the Conduct and Discipline Officer was proposed at the P-5 level because, according to the Department of Peacekeeping Operations, such functions should be uniformly classified at that level in all peacekeeping missions. The Committee was also informed that one serious case had occurred at the Mission in June 2005, requiring a full investigation by the Office of Internal Oversight Services; however, no cases or serious complaints were currently pending. The Committee recognizes the importance of conduct and discipline functions and recommends that, with respect to MINURSO, thought be given to coordinating conduct and discipline activities with other missions located either within or outside the region, but within reasonable travel distance. The Committee believes that, given the size of the Mission and the caseload, a P-4 post would suffice for this function; the Committee would, however, revisit this matter in the event of a trend towards an increase in the number of complaints and cases. The Committee therefore recommends establishment of a Conduct and Discipline Officer post at the P-4 level (under general temporary assistance).**

26. The post of Conduct and Discipline Assistant is proposed as a general temporary assistance position in support of the proposed Conduct and Discipline Officer. **The Advisory Committee recommends approval of the position at the national General Service level.**

### 3. Operational costs

<i>Apportioned 2005/06</i>	<i>Proposed 2006/07</i>	<i>Variance</i>
\$21 562 600	\$18 993 300	(\$2 569 300)

#### **Air operations**

27. As noted above, cost overruns were incurred for air transportation owing to mechanical problems with rotary-wing aircraft and the need to utilize alternative arrangements. The Advisory Committee enquired about contractual stipulations and penalties in the event of contractor non-performance. It was informed that the vendor was penalized an amount of \$287,500 for exceeding the contractual provision on mission readiness by 33 days. That amount has been deducted from the invoices.

#### **Disaster recovery/ business continuity plan**

28. With regard to information technology expenditures for the 2004/05 period, the Advisory Committee notes from the performance report (A/60/634, para. 22) that additional requirements of \$61,200 (7.9 per cent) were incurred for the period owing to the unbudgeted acquisition of a remote backup system for emergency preparedness. The Committee was informed that the Mission's share of the disaster recovery/business continuity centre at Brindisi was \$63,300 during 2004/05, which included the capability to continually replicate critical MINURSO data. Upon enquiry, the Committee was provided with the following additional information concerning the Department of Peacekeeping Operations disaster recovery/business continuity policy, which is under implementation by MINURSO:

(a) On site: main functions are performed utilizing the disaster recovery/business continuity set-up at a secondary site within the mission in case of a disaster at the primary site;

(b) Off site and in theatre: main functions are performed utilizing the disaster recovery/business continuity set-up at a site outside the mission area in case of an evacuation or temporary relocation of mission headquarters to a safe haven. MINURSO is exploring the need for and feasibility of an off-site disaster recovery/business continuity site;

(c) Off site and out of theatre: the site located at the United Nations Logistics Base would be used in case of a major situation in the area of operations requiring the relocation of key staff to Brindisi. The systems and data available in the mission area are mirrored to enable the mission to operate from there. The facility at Brindisi is being prepared as the main global disaster recovery/business continuity site of the Department. MINURSO indicated that the site would be available to it if needed.

## V. Conclusion

29. The action to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 27 of the performance report (A/60/634). **The Advisory**

**Committee recommends that the unencumbered balance of \$462,000, as well as other income and adjustments in the amount of \$350,400, be credited to Member States in a manner to be determined by the Assembly.**

30. The action to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2006 to 30 June 2007 is indicated in paragraph 44 of the proposed budget (A/60/724). **In view of the foregoing comments, the Advisory Committee recommends that the estimated budget requirements be reduced from \$42,804,400 to \$42,778,200.**

*Documentation*

- Performance report on the budget of the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2004 to 30 June 2005 (A/60/634)
- Budget for the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2006 to 30 June 2007 (A/60/724)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2003 to 30 June 2004 and proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Mission for the Referendum in Western Sahara (A/59/736/Add.5)
- Reports of the Secretary-General on the situation concerning Western Sahara (S/2006/249, S/2005/648, S/2005/254 and S/2004/39)
- General Assembly resolutions 60/114, 59/308 and 58/309 on the financing of the United Nations Mission for the Referendum in Western Sahara
- Security Council resolutions 1675 (2006), 1634 (2005), 1570 (2004) and 1541 (2004)



## Annex

## United Nations Mission for the Referendum in Western Sahara: current and projected expenditures for the period from 1 July 2005 to 30 June 2006

(United States dollars)

<i>Object of expenditure</i>	<i>Appropriation</i>	<i>Expenditure as at 15 June 2006<sup>a</sup></i>	<i>Projected expenditure to 30 June 2006</i>	<i>Total expenditure</i>	<i>Estimated unencumbered balance as at 30 June 2006</i>	<i>Variance (percentage)</i>	<i>Reasons for savings</i>
<b>I. Military and police personnel</b>							
Military observers	5 525 600	5 069 690	447 552.82	5 517 243	8 357		
Military contingents	705 800	687 535	29 447.73	716 983	(11 183)		
Civilian police	201 400	131 187	10 297.00	141 484	59 916		
Formed police units	—	—	—	—	—		
<b>Total, I</b>	<b>6 432 800</b>	<b>5 888 412</b>	<b>487 297.55</b>	<b>6 375 710</b>	<b>57 090</b>	<b>1</b>	<b>Projected savings are due to a higher average vacancy rate for civilian police than budgeted.</b>
<b>II. Civilian personnel</b>							
International staff	15 370 400	12 776 227	1 137 596.18	13 913 823	1 456 577		
National staff	2 174 600	1 513 142	134 971.45	1 648 113	526 487		
United Nations Volunteers	—	—	—	—	—		
<b>Total, II</b>	<b>17 545 000</b>	<b>14 289 369</b>	<b>1 272 567.64</b>	<b>15 561 937</b>	<b>1 983 063</b>	<b>11.3</b>	<b>Projected savings are due to higher average vacancy rates than budgeted.</b>
<b>III. Operational costs</b>							
General temporary assistance	—	37 816	1 450.45	39 266	(39 266)		
Government-provided personnel	108 800	32 100	3 000.00	35 100	73 700		
Civilian electoral observers	—	—	—	—	—		
Consultants	32 000	3 677	—	3 677	28 323		
Official travel	419 100	406 799	10 912.45	417 711	1 389		

<i>Object of expenditure</i>	<i>Appropriation</i>	<i>Expenditure as at 15 June 2006<sup>a</sup></i>	<i>Projected expenditure to 30 June 2006</i>	<i>Total expenditure</i>	<i>Estimated unencumbered balance as at 30 June 2006</i>	<i>Variance (percentage)</i>	<i>Reasons for savings</i>
Facilities and infrastructure	2 681 900	2 494 086	2 904 629.00	5 398 715	(2 716 815)		
Ground transportation	2 590 800	2 466 631	27 633.00	2 494 264	96 536		
Air transportation	12 432 400	8 198 608	1 519 861.00	9 718 469	2 713 931		
Naval transportation	—	—	—	—	—		
Communications	1 587 000	1 151 584	162 091.00	1 313 675	273 325		
Information technology	664 900	598 449	331 804.00	930 253	(265 353)		
Medical	274 100	181 102	4 906.00	186 008	88 092		
Special equipment	27 600	167 598	—	167 598	(139 998)		
Miscellaneous supplies, services and equipment	744 000	469 540	67 770.00	537 310	206 690		
Quick-impact projects	—	—	—	—	—		
<b>Total, III</b>	<b>21 562 600</b>	<b>16 207 990</b>	<b>5 034 056.91</b>	<b>21 242 047</b>	<b>320 553</b>	<b>1</b>	<b>Projected overexpenditure under facilities and infrastructure is due to unbudgeted requirements to improve security at Mission facilities. Projected overexpenditure under information technology and special equipment is due to unbudgeted requirements for Global Positioning System and night vision equipment to enable night patrolling by United Nations military operations as a result of changes in operational requirements. Projected savings under air transportation are due to unavailability of some aircraft in the third quarter of 2005. Projected savings under communications are due to lower requirements for commercial communications.</b>
<b>Gross</b>	<b>45 540 400</b>	<b>36 385 771</b>	<b>6 793 922</b>	<b>43 179 693</b>	<b>2 360 707</b>	<b>5</b>	

<i>Object of expenditure</i>	<i>Appropriation</i>	<i>Expenditure as at 15 June 2006<sup>a</sup></i>	<i>Projected expenditure to 30 June 2006</i>	<i>Total expenditure</i>	<i>Estimated unencumbered balance as at 30 June 2006</i>	<i>Variance (percentage)</i>	<i>Reasons for savings</i>
Staff assessment income			—		—		
<b>Net</b>	<b>45 540 400</b>	<b>36 385 771</b>	<b>6 793 922</b>	<b>43 179 693</b>	<b>2 360 707</b>		
Voluntary contributions in kind (budgeted)	3 118 100		3 118 100	3 118 100	—		
<b>Total</b>	<b>48 658 500</b>	<b>36 385 771</b>	<b>9 912 022</b>	<b>46 297 793</b>	<b>2 360 707</b>	<b>5</b>	

<sup>a</sup> Not including pre-encumbrance.