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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF
UNITED NATIONS PEACE-KEEPING OPERATIONS

Report of the Secretary-General

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I. INTRODUCTION

1. At the forty-second session of the General Assembly, during the course of the discussion in the Fifth Committee of agenda item 145, entitled "Financing of the United Nations Iran-Iraq Military Observer Group", reference was made to issues that related to the generality of peace-keeping operations, most particularly the treatment of voluntary contributions and the extent to which economies of scale could be achieved (see A/C.5/42/SR.70 and 71). When it reverted to this item at its forty-third session (agenda item 147), the General Assembly adopted resolution 43/230 of 21 December 1988, in which the Assembly, inter alia, requested the Secretary-General to submit to it, through the Advisory Committee on Administrative and Budgetary Questions, at the earliest possible stage a report containing technical guidelines relating to the treatment and valuation of voluntary contributions in the form of supplies and services to the United Nations Iran-Iraq Military Observer Group and to undertake and submit to it at its forty-fourth session, through the Advisory Committee, the following studies, taking into account the related proposals of the Advisory Committee, as well as the views expressed by Member States at its forty-third session:

(a) A comprehensive study on how economies of scale could be achieved through administrative co-ordination of the various United Nations peace-keeping operations;

(b) A study proposing procedures and criteria by which Governments might offer the services of civilian personnel for peace-keeping operations, corresponding to those by which military personnel are made available;

(c) An analysis of the problems involved in starting up peace-keeping and related operations and of possible solutions, including the establishment of a fund and the use of the existing Working Capital Fund;

(d) A study on the feasibility and cost-effectiveness of creating a reserve stock of communications and other equipment;

(e) A review, in the context of the report on standard rates of reimbursement, of the background and development of reimbursement to Member States contributing troops to peace-keeping operations.

2. The present report will address the issues raised in paragraphs 1 (a) to (d) above, i.e., economies of scale, civilian personnel provided by Governments, start-up problems and reserve stock of equipment and supply items. Separate reports are being submitted dealing with the treatment of voluntary contributions and with rates of reimbursement to troop-contributing Member States.

3. In paragraph 2 of General Assembly resolution 43/59 A of 6 December 1988, the Special Committee on Peace-keeping Operations was urged, in accordance with its mandate, to continue its efforts for a comprehensive review of the whole question of peace-keeping operations in all their aspects with a view to strengthening the role of the United Nations in this field, taking into account the difficult financial situation of peace-keeping operations and the need for maximum cost

efficiency. The report of the Special Committee containing the comprehensive review of the whole question of peace-keeping operations in all their aspects, has subsequently been published as document A/44/301. As noted in the previous paragraph, the present report addresses only a number of specific topics pertaining to United Nations peace-keeping operations and should not in any way be considered as constituting a response to, or comment on the report of the Special Committee.

II. BACKGROUND

4. Prior to the creation of the United Nations Transition Assistance Group (UNTAG), there were 16 United Nations peace-keeping operations. 1/ The first of these, the United Nations Truce Supervision Organization (UNTSO) and the United Nations Military Observer Group in India and Pakistan (UNMOGIP), were created in 1948 and 1949, respectively, and financed, as they are currently, under the regular budget. Since the creation of the first United Nations Emergency Force (UNEF I) in 1956, however, most peace-keeping operations have been financed outside the regular budget (the figures presented at the end of the report review the history of extrabudgetary costs for United Nations peace-keeping operations). Thus, current peace-keeping operations, in addition to UNTSO and UNMOGIP, are financed either from voluntary contributions (the United Nations Peace-Keeping Force in Cyprus (UNFICYP), from March 1964), from special accounts (the United Nations Disengagement Observer Force (UNDOF), from June 1974; the United Nations Interim Force in Lebanon (UNIFIL), from March 1978; the United Nations Iran-Iraq Military Observer Group (UNIIMOG), from August 1988; the United Nations Angola Verification Mission (UNAVEM), from January 1989; and UNTAG, from April 1989), or from the regular budget (the United Nations Good Offices Mission in Afghanistan and Pakistan (UNGOMAP), from May 1988). Figure 1 shows the amounts expended (in current dollars) for these operations for the period from 1974 to 1988.

5. Within the Secretariat, the Office for Special Political Affairs and the Department of Administration and Management provide direction and support to peace-keeping operations on a day-to-day basis. In this respect, the Office for Special Political Affairs is responsible for advising the Secretary-General on the mandate of a new peace-keeping operation, obtaining the parties' agreement to that mandate, establishing the national composition of the military component, maintaining the necessary relations with the parties and the troop-contributing member states, both at the beginning and during the course of the operation, and providing political instructions and operational guidance to the officer commanding the operation in the field. The Department of Administration and Management is responsible for advising the Secretary-General on all administrative and management matters. To this end, the three major offices of this Department, namely, the Office of Human Resources Management, the Office of General Services and the Office of Programme Planning, Budget and Finance, provide ongoing personnel, financial, administrative and management services that are required by the peace-keeping operations. In particular, within the Office of General Services, the Commercial, Purchase and Transportation Service is involved in the effort according to its area of specialization, as is the Telecommunications Service in handling telecommunications traffic from the field to New York. The Field Operations Division administers the peace-keeping operations, including the personnel at the

missions through its Field Personnel Section; the financial aspects, through the Field Budget and Finance Section and supply and support through the Logistics and Communications Section. Within the Office for Programme Planning, Budget and Finance, the Unit for Peace-Keeping Matters and Special Assignments implements the formulation, control and monitoring of the budgets, monitors the financial resources available and effects payments to, and acts as liaison with troop-contributing Governments on financial matters. For its part, the Recruitment and Placement Division provides the necessary services dealing with personnel matters to bring about the successful staffing of the peace-keeping operations.

6. The charts of figure 2 show the distribution of expenditures for all extrabudgetary peace-keeping operations for three sample years. As can be seen, by far the largest portion of expenditure is for military personnel. The present report is directed to issues pertaining to the non-personnel costs of peace-keeping operations, i.e., equipment, supplies, facilities and services, which in 1974, 1980 and 1988 (see figure 2 (a), (b) and (c)) accounted for approximately 29, 26 and 23 per cent, respectively, of the total budget expenditures of the peace-keeping operations (UNDOF, UNIFIL, UNFICYP and UNIIMOG) financed from extrabudgetary sources. The total sums expended on peace-keeping operations in 1988 and those projected for 1989 are considerable, when viewed in the context of the United Nations regular budget expenditures. Of this expenditure, the amounts that relate to non-personnel costs are significant in real terms and, for this reason, warrant attention.

7. There are changes that can be made in a number of different areas that would improve efficiency and economy and enhance the response capability of the United Nations whenever it is requested to mount a new peace-keeping operation. Several areas of potential change are addressed in the present report. It should be noted, however, that there is an element of linkage among some of the topics covered, i.e. economies of scale, civilian personnel provided by Governments, start-up problems and reserve stock of equipment and supply items. In isolation, certain topics may seem to be of little importance or of a type that could be considered independently. Nevertheless, it would appear that the largest improvement could come about if the proposals were considered as a package, with full weight given to the interrelationship, or linkage between the various elements. To illustrate the point, it is only necessary to highlight two so-called "start-up" problems and their relation to other matters which will be addressed elsewhere in this paper, namely:

(a) Delays in procurement and long lead-times in the supply of commonly used equipment and supplies, which could be relieved to a marked degree through the establishment of a reserve stock;

(b) Difficulty in obtaining the services of technical personnel required for a new mission, which could be lessened if such civilian personnel were readily available from Member States.

III. ECONOMIES OF SCALE

8. The heading for this section, as described in section III, paragraph 1 (a), of General Assembly resolution 43/230, suggests that there may be possibilities of achieving economies of scale in the traditional sense (i.e., through quantity discounts), if the procurement requirements of the various peace-keeping operations were consolidated to form an increased order quantity. As will be shown in the present section, although quantity discounting is not applicable to the majority of commodities procured for peace-keeping operations, the procedures currently used achieve similar cost benefits using different means. The consolidation of orders for like items from the same manufacturer is pursued whenever feasible. It is not followed slavishly, however, as this would not necessarily lead to significant additional savings for the Organization and such action could cause other practical difficulties.

9. Certain items in the non-personnel portion of the budgets for peace-keeping operations do not lend themselves to considerations of economies of scale, for example, contingent-owned equipment supplied by troop-contributing countries, direct provisioning from troop-contributing countries, rental of premises in the mission location, rental of aircraft for use by the mission, and commercial telecommunications expenses.

10. It is difficult to generalize about the remaining items in the budget that are subject to procurement action, but some features, such as the following, are worthy of note:

(a) On the question of price, the negotiating stance of the United Nations has to depend very much on the normal commercial practice applicable in the market for the commodity being sought. Because of the relatively modest quantities of items usually being purchased, the United Nations cannot claim much economic leverage during price negotiations. It must rely more on the Organization's unique position as a truly international body, performing an unusual but highly visible function. In this context, it does not fit into the normal type or category of customer in the market, with the result that it is often afforded special treatment or most-favoured-customer classification;

(b) The orders for requirements to establish a new peace-keeping operation need to be placed immediately after the authorization to proceed is given, without regard to any other considerations. This is virtually the only instance where substantial quantities of any particular item are required. The timing of placing orders for normal replacement items on the other hand, is influenced by many diverse factors and the quantities of a particular item likely to be required could fluctuate over a wide range from one financial period to the next;

(c) The procurement policies pursued by the United Nations for peace-keeping operations aim to make every transaction as economical as possible, irrespective of the quantity or frequency of procurement of the items being acquired. These procedures minimize delays in the processing of requisitions from the different peace-keeping operations, because they do not have to be amalgamated with all other similar requisitions. They also permit the flexibility to be able to respond to immediate operational requirements as they occur;

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(d) To the extent possible, the Organization pursues a policy of standardization on certain product lines in order to ensure that it has the most appropriate equipment, at reasonable prices, as well as a high degree of compatibility between the different operations. It also develops "standards" for certain items, in order to facilitate procurement and product consistency between different orders or suppliers;

(e) The supply of non-standardized items for peace-keeping operations is a combination of procurement made in the mission area or through United Nations Headquarters. Decisions on these matters are made after comparison of the specifications, quality, availability, delivery lead-time, freight cost and price, in order to achieve the most economical cost structure. To illustrate the above, it is appropriate to examine the procedure adopted in respect of a few sample items discussed below.

A. Motor vehicles

11. The United Nations-owned vehicles purchased in any quantity for peace-keeping operations have all been subject to a standardization decision. The decision is reached after the Organization has sought international bids for certain specific vehicle types, or a family of vehicle types, based on agreed neutral specification details. The final recommendation takes into account, the specifications, the model change cycle, vehicle characteristics, driveability, durability, suitability for the operational tasking, optional equipment, delivery time, spare parts support and price. The decision on standardization will normally remain in effect for three to five years and, based on a further thorough review, may be extended.

12. The United Nations usually only buys directly from the manufacturer. The price that the United Nations is able to obtain from motor vehicles manufacturers is the wholesale price, which is exclusive of taxes and duties and which, generally, only the licenced national distributors or some Governments are able to enjoy. In certain cases, a special United Nations discount is applied. In such circumstances, it does not matter how many units are purchased at any one time or how many separate transactions are made during a particular financial period as the price is always the same, i.e., there are no economies of scale extended to the United Nations, or to any similarly placed customer.

13. The same situation applies in the case of manufacturer's spare parts supplies. The United Nations makes a direct provisioning arrangement with the manufacturer, under which each peace-keeping operation requisitions its needed spare parts directly from the factory. They are billed at the same price as that extended to the manufacturer's national distributors. Occasionally a special United Nations discount is extended. As all spare parts are billed on this basis, it makes no difference how big any particular order is, or how many separate orders are submitted.

14. While the vehicle orders from the United Nations are relatively small in commercial terms, the fact that they are purchased directly from the manufacturer and are to be used in highly visible peace-keeping operations often attracts the

manufacturers' interest. In addition, and most important, whenever the United Nations places orders for vehicles to establish a new peace-keeping operation, it consistently demands an extremely short delivery time, which, normally, would be impossible for the manufacturer to meet. The fact that manufacturers afford the Organization special treatment and are often able to meet these short delivery times produces significant benefit to the Organization. Experience has shown that making other ad hoc arrangements for the supply of alternate vehicles to establish a new operation is most unsatisfactory and usually results in being more costly for the Organization.

B. Communications equipment

15. Communications equipment has been standardized to the extent possible and the range of communications-related equipment procured by the United Nations for the peace-keeping missions is not large and can generally be segregated into functional groups, or families of equipment, which are discussed below. The Organization buys directly from manufacturers or from their appointed distributors at most-favoured-customer prices. Most purchases are made at prices that manufacturers extend to their national Governments, or otherwise at wholesale distributor or trade discount prices. All purchases are free of taxes and duties. Due to the relatively modest quantities of high-technology and very specialized electronic and telecommunications equipment required by the Organization, the traditional economies-of-scale conditions are not present. Instead, the United Nations strives to obtain the lowest price, irrespective of the quantity of items being purchased.

16. The groups of communications equipment purchased must be able to withstand the generally difficult conditions found in the peace-keeping operations. Although the equipment generally is constructed to military specifications, true military pattern equipment is only acquired in those cases where it is necessary for the Organization to supplement the holdings of contingents that are unable to supply their needs from national sources. All components must be compatible, i.e., able to speak to each other, as it were, and capable of being integrated into a complete communications system, with all desired facilities and the minimum levels of redundancy necessary to ensure reliability. The equipment must not only be compatible within a particular operation but also between different operations. Technological change must be capable of being introduced continually and progressively into the total system, generally through attrition and normal replacement cycles. Telecommunications equipment used in the peace-keeping operations includes the following:

- (a) VHF and HF fixed, mobile, man-pack and hand-held voice radios;
- (b) Antennas and antenna masts/towers;
- (c) High power HF radios i.e. remote control transmit/receive systems with automatic error correcting, teletype and encryption capability (including log periodic and loop antennas);

- (d) Teletype machines;
- (e) Encryption devices;
- (f) Portable satellite earth station telephone units;
- (g) Satellite earth stations;
- (h) Generators;
- (i) Electronic telecommunications test equipment;
- (j) Communications supplies and batteries.

C. Other equipment items

1. Accommodation structures

17. The United Nations peace-keeping operations are located in widely dispersed areas of the world and each has quite separate and distinct requirements for accommodation structures. The need for accommodation structures varies according to the type of operation, such as peace-keeping forces (e.g. UNIFIL, UNDOF), or observer missions (e.g. UNTSO, UNIIMOG or UNAVEM). Local conditions may dictate the type of accommodation that should be acquired. At times it is clearly more economical or advantageous in terms of supply lead-time to buy a local product rather than to import it.

18. Apart from UNDOF, UNIFIL and, more recently UNTAG, the other operations rarely need accommodation structures and then only in single units or very small lots. At UNDOF, the climatic conditions and the static nature of the Force present a need for more permanent structures, on solid foundations, with built-in ablutions and central heating. UNIFIL, on the other hand, requires more portable structures to cope with frequent redeployment moves. This necessitates providing separate ablution units. UNTAG has had a requirement for portable (container based) structures, prefabricated buildings, and caravans.

19. About the only common structure used at all of the peace-keeping operations are polyvinyl-fabric covered, open frame, prefabricated warehouse buildings. These are used for bulk storage warehouses, workshops or large clear space multi-purpose structures (i.e. temporary transit housing, storage, covered packing/unpacking area, sports hall, assembly/parade/official function area). There has been standardization of these structures. All purchases are made directly from the manufacturer, free of duties and taxes. Prices are base list, with discounts applied according to the quantity ordered.

2. Observation equipment

20. This category of equipment consists primarily of binoculars (of all sizes), night-vision or image-intensifying equipment (static or hand-held), radars, sensing devices and searchlights/streamlights. The individual items are selected after extensive field trials and then subject to standardization decision. Purchases are made directly from the manufacturers. Owing to the small quantities ordered, economies of scale considerations are not applicable.

3. Workshop and maintenance equipment

21. This category consists of tools, workshop plants, and equipment items. As with other categories, there is a need to purchase a basic minimum inventory of items to set up a new operation. Other purchases are essentially of replacement items. Purchases are made locally (i.e. within the mission area) or through Headquarters, after price and freight comparisons. However, since so many different sources are used to obtain individual items and such small overall quantities are involved, there is little advantage in pursuing possibilities of economies of scale.

4. Office furniture and office equipment

22. Because of the relatively high cost of transportation for these items, decisions on the purchase of office furniture and equipment for field missions are usually made on the basis of cost, delivery and freight criteria and a comparison of the local market with possibilities of procurement by Headquarters. It is difficult to establish any firm and consistent basis for the purchase of such items, with the result that considerations of economies of scale are not the most important element in decision-making on procurement.

D. Other supply items

1. Petrol, oil and lubricants

23. The United Nations normally buys petrol, oil and lubricant products for its peace-keeping operations directly from the local oil companies at wholesale trade prices, free of all duties and taxes. This is effected in several ways, depending on the location and scale of activities. For instance, supplies can be drawn from various retail outlets, with billings coming directly from the oil company. Alternately, the oil company may make bulk deliveries to United Nations-owned bulk handling facilities. As another example, UNIFIL bulk tankers pick up fuel directly from the refinery or bulk distribution points for delivery to the Force. These products are purchased at the basic price. There is no discount on them and hence no possibilities for economies of scale. Purchases must be made in-area, from the oil company or companies servicing the particular country.

2. Stationery and office supplies

24. Decisions on purchases relating to this category are made on the basis of comparison of quantity, freight cost and delivery lead-time, taking into account the location and accessibility of the operation. It is not practical to adopt a single centralized procurement procedure for such items.

3. Miscellaneous supplies

25. These supplies include cleaning and sanitation materials, quartermaster and general stores, pharmaceuticals, medical supplies, field defence stores, communications supplies and batteries. Decisions as to local or Headquarters procurement of individual items are made on the basis of cost and delivery factors. The possibilities of combining requisitions from different missions, in order to produce larger single orders, are not great, nor are they likely to result in significant economies of scale. Negotiations on the procurement of such items are aimed at achieving the lowest cost for them from the same supplier, irrespective of quantity or frequency of orders.

4. Uniforms

26. As the requirements for uniform accoutrements are identical for all peace-keeping missions, this is one area where the Organization has traditionally consolidated annual requirements and ordered in bulk, with charges being apportioned between the various operations. Contracts are let for uniform accoutrement items after widespread international bidding. Supplies are directed to the Supply Depot at Pisa, Italy, in the first instance, and drawn down by each operation as required. This orderly replenishment process is interrupted only when a new peace-keeping operation is to be established. Because of the long lead-time involved in manufacture, stocks ordered specifically for existing missions have to be utilized to satisfy the immediate demands of the new operation and later replaced.

27. This section has attempted to illustrate that the policies pursued by the United Nations in the case of peace-keeping procurement aim to make each transaction as economical as possible, irrespective of the quantity ordered or the frequency of such orders. The process of standardization is ongoing and requires constant review as manufacturers make model changes and as more efficient or cost-effective items become available. In any event, while the goal of standardization will continue to be pursued, to the extent possible, it must be noted that the additional impact from this process on peace-keeping budgets as a whole may not be that significant. In those cases where it is feasible to establish a global standardization or consolidation of orders, the Organization will proceed along those lines. Where this is not possible, the Organization will combine local area purchasing with procurement through Headquarters to achieve the most economical cost structure.

IV. CIVILIAN PERSONNEL PROVIDED BY GOVERNMENTS

28. The concept of Governments providing civilian personnel for peace-keeping operations is interesting, but needs to be approached with caution. The civilian personnel component of the present peace-keeping operations includes members of the Secretariat and locally recruited staff, but also civilians provided by Governments, for example, the civilian police with UNFICYP and UNTAG, civilian aviation personnel at UNTSO and UNIIMOG and the Medical Unit and motor mechanics at UNTAG.

29. It is possible to envisage provision by Governments of specialized individuals or organized units, including specialized equipment, to major peace-keeping operations, either on a continuing basis or to perform certain specific projects, in areas such as:

- (a) Emplacement planning for a new operation;
- (b) Medical/hospital services and clinics;
- (c) Truck/bus transport operation;
- (d) Vehicle maintenance operations, including spare parts stores;
- (e) Catering/mess services operations;
- (f) Major camp infrastructure construction and/or camp maintenance/operation;
- (g) Communications system installation and support, including instant communications capability during the initial period of a major mission;
- (h) Plant engineering/construction such as water supply/storage systems, sewage treatment plants, electric power generation plants/distribution systems, camp construction, airfield/heliport construction, road/track construction and hard surfacing;
- (i) Aircrew and aircraft maintenance personnel to support non-military aircraft/helicopters.

30. Governments willing to participate in peace-keeping operations in this way could provide inventories to the Organization of the specialized individuals or units that they would be prepared to provide, including numbers of personnel and equipment and their capabilities, as well as a firm commitment on the length of time required for their mobilization and deployment in the theatre of operations. It is evident that the provision of such civilian personnel by Governments can be of maximum benefit only if their availability to the United Nations on relatively short notice can be assured. Such an assurance would allow the pertinent contributions from Governments to be factored into the initial logistics planning for a new mission or into the budget formulation process of an existing mission.

31. Civilian personnel provided by Governments should be equipped so that they can be deployed into the area quickly and be effective immediately upon arrival. In
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the event that supplementary equipment will be needed, the United Nations should be informed at the earliest possible time. Governments contemplating the provision of such civilian personnel should develop proposals, including organizational, operational, equipment and support planning, as quickly and as fully as possible. Proposals should be fully documented and presented to the Organization as firm and complete packages. Responsible offices within the United Nations Secretariat can assist Governments in the formulation of proposals. When a new peace-keeping operation is being planned, based on its particular requirements and local conditions, certain Governments could be approached with a view to their providing the appropriate specialized civilian personnel required.

32. Governments would only be requested to provide those specialized civilian personnel or services which the operation would have difficulty in obtaining or would find impossible to obtain through existing staff resources or by retaining locally recruited staff. All civilian personnel provided to a peace-keeping operation should be proficient in the working language of the mission, be able to drive and be in possession of a valid driver's licence.

33. A fundamental principle of peace-keeping is that the operations must not interfere in the internal affairs of the host country or countries and must be totally impartial. This principle must be followed in order to ensure the operation's effectiveness. It follows that a peace-keeping operation must be run as a United Nations operation according to United Nations rules, regulations, instructions, procedures and precedents under a single, unified command structure, supervised by the head of mission. Governments would thus be expected to accept that the civilian personnel that they offer would be under the operational command of the United Nations and to ensure that such personnel understand the guiding principles of United Nations peace-keeping and are prepared to make an undertaking, similar to that required of Secretariat staff members, to perform their duties and responsibilities with the interests of the United Nations only in mind. It would be important, therefore, for Governments that are considering the provision of civilian personnel for peace-keeping operations to agree with the Secretariat on the full range of political and administrative implications of such participation.

34. Certain administrative procedures must be agreed on in advance between contributing Governments and the Secretariat governing the provision of civilian personnel to a peace-keeping operation. These would include, but are not limited, to the following:

- (a) Status of the civilian personnel in relation to the host countries;
- (b) Medical/dental insurance coverage;
- (c) Medical clearances;
- (d) In-area subsistence arrangements;
- (e) Compensation for service-incurred death, disability, or illness;
- (f) Leave and time-off;

- (g) Travel arrangements/visas/identification cards;
- (h) Personal kit;
- (i) Postal/communications arrangements;
- (j) Reporting to home country authorities;
- (k) Line of command and supervision;
- (l) Rotation/length of tour of duty;
- (m) Disciplinary procedures.

35. The budget formulation and review procedures for peace-keeping operations would need to incorporate the flexibility required to accommodate, as appropriate, the civilian personnel provided by Governments within the approved military and civilian component structure.

V. START-UP PROBLEMS

36. The start-up problems faced by the United Nations when trying to establish a new peace-keeping operation can be encapsulated in the two elements of time and money.

37. The United Nations Secretariat cannot enter into financial commitments regarding the start-up costs of a new peace-keeping operation until it receives the appropriate legislative authority and the resources to do so. This means that, in addition to receiving legislative authority from the Security Council and an appropriation or financial commitment authorization from the General Assembly, there must be an immediate availability of substantial funds through the payment of either assessed or voluntary contributions.

38. Experience has shown that speed is of the essence in establishing the operation after the legislative authority has been granted. In the case of UNTAG, for example, the appropriation was provided by the Assembly on 1 March 1989, with a target date for the beginning of operations of 1 April 1989, a period of less than five weeks.

39. There are certain additional constraints when the United Nations is called upon to set up a new peace-keeping operation. These include the following:

(a) Apart from the limited availability of funds at any given time under the General Assembly resolution to meet unforeseen and extraordinary expenses, or from voluntary cash contributions earmarked for the purpose, there are no alternative financial resources available;

(b) There is no stock-holding of the various equipment and stores items needed to satisfy at least some of the immediate operational requirements for

establishing a minimal United Nations peace-keeping presence in a new location and allow it to become minimally functional;

(c) The lack of fully compiled data regarding the willingness and ability of States to provide military personnel and/or equipment requires that new approaches must often be made to Governments to obtain information regarding the number of troops and types of equipment that can be provided, as well as the time required to mobilize the troops;

(d) As a result of the recent expansion in peace-keeping activities, an absorptive capacity in respect of trained and experienced United Nations staff members with the technical skills required in peace-keeping operations, is no longer available.

40. Under the existing modus operandi, these difficulties are eventually overcome, in a labour-intensive manner, over a significantly long period of time. Timely and efficient response to the setting up of additional peace-keeping operations in the future can only be effectively accomplished if the Secretariat retains the ability to hold in reserve the qualified staff and specialized equipment needed for this purpose. To acquire this reserve, additional resources must be made available in the form of cash contributions, assessed or voluntary, as well as, for certain items, contributions in kind.

41. It is recognized that the various principal and subsidiary organs of the United Nations are themselves constrained by a number of different factors and procedural requirements. It is therefore difficult to see how the existing modus operandi could be amended to speed up the approval and funding processes materially. However, it should be borne in mind that the implementation date of a new peace-keeping operation has a distinct impact on the ability of the Secretariat to accomplish in a realistic manner what has been mandated. The implementation date should be set in relation to what is realistically and physically possible, as determined by the Secretary-General. One possibility could be the phasing in of certain objectives of the mandate, depending on the level of their priorities and the ability of the Organization and States to respond in a timely manner.

42. Following completion of the various legislative and budgetary formalities, start-up problems for a new peace-keeping mission tend to fall into the following general categories:

(a) Delay in confirming the participation and departure dates for military contingents, including equipment, if applicable;

(b) Difficulty in identifying and/or obtaining the release of the required administrative and technical staff members;

(c) Delays in the procurement process caused by the preferred requirement for international bidding or the calling for bids or proposals, notwithstanding that time is of the essence. An example of this situation is found in the procedure for deciding on a commercial aircraft charter-carrier for emplacing a new operation. Although the Organization is usually under severe time constraints on such

occasions, invitations to bid are sent out to prospective carriers. This process generally produces only a few responses, possibly none of which are completely satisfactory. It would be quicker, and often no less cost-efficient, if the Organization simply exercised its discretionary authority to negotiate with any satisfactory carrier that could execute the job in an efficient and timely fashion;

(d) Delays and long lead-times in the supply of equipment and stores, especially where actual manufacture or export licensing is required;

(e) Delays resulting from the difficulties in physically moving personnel, equipment and stores into a new mission area. Since the United Nations lacks the transportation capability, it must rely on Governments or commercial charter arrangements. Locating suitable ships or aircraft, that can accomplish the required complicated missions on short notice and at reasonable cost is sometimes difficult. There are also the physical limitations on what can economically be carried by air, or the time it takes to deliver goods by sea;

(f) In-area difficulties in dealings with the host country because of the absence of a properly executed status-of-forces agreement;

(g) In-area difficulties in establishing an effective military and civilian administrative support structure for the new mission. Many of the key people come together for the first time when they arrive on location, lacking the familiarity with the organization of a peace-keeping operation, its administration and its procedures, which is essential for establishing the operation as quickly as possible.

43. There is no single or easy solution to the start-up problems as outlined above. With adequate time to mount an operation, the Secretariat can take precautions to ensure that goods and equipment of the requisite quality and specifications are obtained in accordance with the procurement principles of the Organization and the specific needs of the operation. With adequate resources, vendors and carriers can be paid promptly, thus guaranteeing the delivery of personnel and equipment as and when required. In the absence of both the required time and the necessary resources, the Secretariat must improvise and make interim or special arrangements. Such arrangements and ad hoc approaches can neither be efficient nor cost-effective at all times and can lead to unsatisfactory results. Start-up problems are eventually resolved but, in the initial phase of an operation, time is one of the most crucial elements needed for success. In seeking a solution for this very real problem, therefore, modifications in several of the areas that pose obvious difficulties are felt to be necessary. It is suggested that these modifications could include the following, subject to the availability of full funding:

(a) Obtaining of expert assistance for the development of techniques, systems and procedures that would enhance the ability of the Secretariat to develop and modify logistics and administrative support plans for prospective new operations, based on the operational concepts including their translation into cost estimates and subsequent plans for execution or deployment;

(b) Establishment of a reserve stock of United Nations-owned equipment and supply items common to peace-keeping operations;

(c) Development and maintenance by States of an inventory of resources that would be available at short notice. These inventories should be made known to the United Nations and should include personnel, matériel, equipment, transport and other supplies and services of use to peace-keeping operations in general and not necessarily geared solely for a national contingent;

(d) In-house development, introduction and maintenance of audio-visual staff-training programmes for all categories of United Nations staff members for assignment to peace-keeping operations. The aim of the training would be to increase awareness of and orientation to the special features of peace-keeping operations and to increase skills and harmonize the approach and procedures used in the operations;

(e) Development and maintenance of an audio-visual training programme for the military staff officers at the headquarters of a peace-keeping operation and for the contingent commanders and battalion and unit commanding officers. The aim of such training would be to provide orientation and awareness of the unique organizational, administrative and logistic support characteristics and requirements of such operations;

(f) Execution by host countries of status-of-forces agreements with the United Nations, with special provisions as needed, before deployment of a new peace-keeping operation.

44. These modifications would lead to a quicker, more organized method of assembling the essential military staff officers and civilian administrative staff, prior to deployment, for a more orderly and assured emplacement of the operation.

45. The amount of funding required for any operation will depend on a number of factors, including:

(a) Type of operation to be mounted (a peace-keeping force or an observer mission);

(b) Location of the operation and the size and topography of the area;

(c) Magnitude of the operation and the number of components involved;

(d) Extent to which air and sea operations are required;

(e) In-area transport, communications, accommodation and supply and support required;

(f) Number and geographic location of troop-contributing countries;

(g) Situation on the ground, military or otherwise, and the mandate responsibilities of the operation;

(h) Quantity of national equipment provided to contingents, as this will determine the level of the additional equipment needed to supplement the national scale;

(i) Level of infrastructure support to be provided by the host Governments under the terms of the status-of-forces agreements or other specific agreements.

46. Emphasis should be placed on the question of start-up financing. The Organization needs a definite financing authorization immediately after there is a decision to establish a new peace-keeping operation. Funds are, however, needed to meet pre-implementation and other immediate costs, arising before the requisite financing action by the General Assembly and prior to the receipt of the assessed contributions. Experience shows that in cases of medium to major peace-keeping operations the amount of funding immediately required is in the order of \$50 million to \$100 million. The situation becomes critical when the existing level of commitment authority provided by the General Assembly to both the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions to meet unforeseen and extraordinary expenses becomes exhausted by earlier requirements or is otherwise insufficient. The present resources made available for unforeseen and extraordinary expenses are sufficient to permit only a relatively small observer-type peace-keeping operation to be initiated, and operated, until the usual financing procedures are completed.

VI. THE FEASIBILITY AND COST-EFFECTIVENESS OF A RESERVE STOCK OF EQUIPMENT AND SUPPLY ITEMS FOR UNITED NATIONS PEACE-KEEPING ACTIVITIES

47. Maintaining a reserve stock of commonly used equipment and supply items would be both feasible and cost-effective. Such a reserve stock should be established as quickly as possible. In general terms, it is proposed that the reserve stock should be sufficient to equip two peace-keeping infantry battalions and their supporting logistic elements, including provision for the administrative component and a global-link communications capability. Such a reserve stock should also be sufficient for the initial requirement in establishing a large military observer mission.

48. The timing of the emplacement of new peace-keeping operations is immediate. The lead-time required for the supplying of many of the various equipment and stores used in peace-keeping activities is considerable. These factors alone suggest the need for a reserve stock of commonly required items. There are, however, certain issues associated with the holding of a reserve stock that must be addressed in advance, including:

(a) Determining of a site or sites for such stock-holding that will be convenient to the locations of existing and possible new operations;

(b) Decisions on what items to hold in stock. In the case of vehicles, for instance, whether they should be military or civilian pattern, or both; whether they should be left or right hand drive and how many of each type should be held;

(c) Concerns about stock utilization and rotation, while endeavouring to maintain a high state of operational readiness during extended periods between the establishment of new operations.

49. While the United Nations Supply Depot at Pisa is already available for this purpose, it may not be appropriate or necessary to store all items of a reserve stock at any single facility. What is required is that all elements of the reserve stock be physically available, in good condition, at locations convenient for sea or air shipment, as required. Thus, the reserve stock could be dispersed over a number of locations, including some of the existing missions. Taking into consideration the present facility available in international communications, the reserve stock records could easily be maintained through the use of a computer inventory system, which would avoid having to set up new or enlarged warehousing facilities and a separate administrative system specifically for this purpose.

50. Maintaining a reserve stock of commonly used items is not cost-effective in itself, but rather primarily when a new operation is to be established. At such a time, withdrawal and delivery of required items from stock can be considered and executed in an orderly manner, making the most economical use of all transportation resources for single pick-up and delivery tasks. Recent experience has shown that the current procedure for securing and providing such items to new operations is particularly inefficient and frustrating, as goods come to hand at different times and from a variety of sources. This sometimes requires duplicate transport moves, thus not ensuring that the items will arrive in the operational area in the order in which they are required. This can delay deployment or place reliance on more expensive and sometimes quite unsatisfactory duplicate, alternative or ad hoc substitute arrangements.

51. A reserve stock of commonly used United Nations peace-keeping operation equipment and supplies should exclude items that are easily available from vendors, but would include the following:

- (a) Uniform accoutrements, including blue helmets and fragmentation jackets/covers;
- (b) Flags;
- (c) Observation equipment;
- (d) Accommodation and mess equipment and field kitchens;
- (e) Tentage;
- (f) Portable ablution facilities;
- (g) Composite rations;
- (h) Water-purification equipment;
- (i) Field defence stores;

- (j) Quartermaster and general stores;
- (k) Office equipment and stationery supplies;
- (l) Generators;
- (m) Communications equipment components and spare parts;
- (n) Motor vehicles of various types, special-purpose vehicles, spare parts and tyres;
- (o) Portable bulk storage and dispensing equipment for fuel and water, both fixed and mobile;
- (p) Emergency medical equipment and medical supplies kits;
- (q) Materials handling equipment;
- (r) Prefabricated, poly-vinyl covered, steel-framed covered storage or warehouse structures.

52. The quantities to be held in reserve can be determined on the basis of the scales of issue currently existing for peace-keeping operations for certain items and by reference to consumption patterns and replacement lead-time for others.

53. It is currently estimated that an amount of approximately \$15 million would be required to acquire a reserve stock of commonly used equipment and supplies to outfit two regular infantry battalions and their attendant support elements for a new peace-keeping operation.

VII. CONCLUSION AND RECOMMENDATIONS

54. There is a need to maintain a high degree of readiness in the Organization's ability to emplace new peace-keeping operations. The formation of four field operations in a 12-month period, beginning May 1988, was unprecedented and has served to highlight a number of associated problems. The possibility that such operations will continue during the foreseeable future, based on the current political climate, is a compelling reason to recognize the necessity for establishing a more rational and regular process to cover the financial and physical arrangements for the implementation of these operations.

55. Accordingly, it is proposed that the General Assembly consider:

- (a) That the Organization be provided with the means:
 - (i) To expand the Working Capital Fund by an amount of \$100 million to provide for start-up costs for peace-keeping activities (see para. 46 above);

- (ii) In respect of unforeseen and extraordinary expenses, to increase the levels of commitment authority provided to the Secretary-General from \$2 million to \$5 million and to the Advisory Committee on Administrative and Budgetary Questions from \$10 million to \$20 million (para. 46);
- (iii) To acquire in 1990 and maintain thereafter a reserve stock of commonly used equipment and supply items, at a value of \$15 million (paras. 47 and 53);

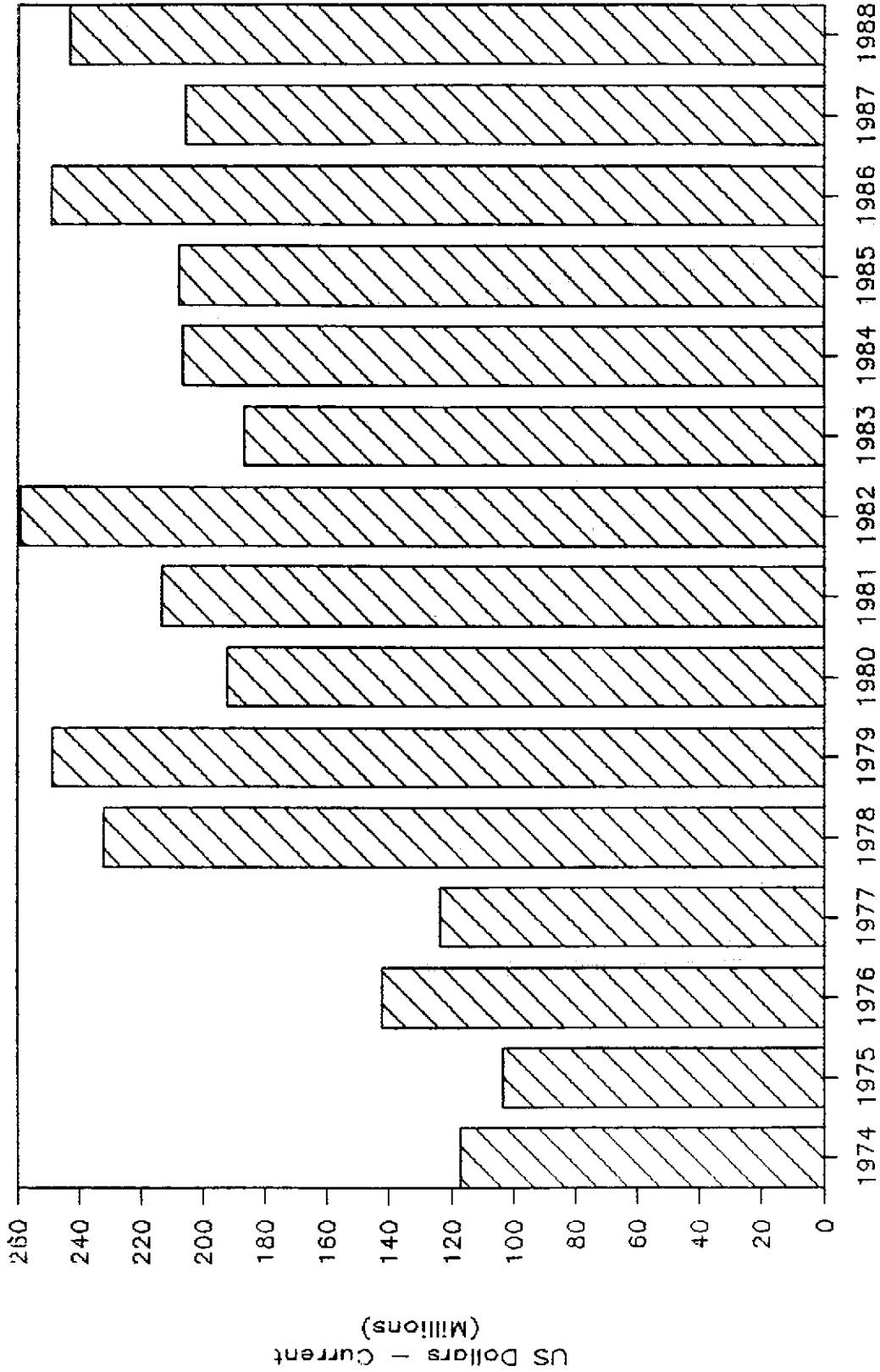
(b) That other measures proposed in this paper be agreed and implemented as soon as possible. Where such measures require additional funding or authorization, they shall be proposed in due course through the normal budgetary process. These measures pertain to the following:

- (i) Development of documented proposals by Governments in connection with the offering of specialized civilian personnel and equipment for peace-keeping operations (para. 31);
- (ii) Rationalization of the implementation date of new peace-keeping operations relative to the finalization of legislative and financial authorization (para. 41);
- (iii) Modifications to existing modus operandi to include in-house development, introduction and maintenance of audio-visual training programmes of civilian and military personnel (para. 43 (iv) and (v));
- (iv) Timely execution by host country or countries of status-of-forces agreements (para. 43 (vi)).

Notes

1/ The United Nations Good Offices Mission in Afghanistan and Pakistan (UNGOMAP) is included in this total because it is operationally and administratively similar to the peace-keeping operations.

Figure 1
Peace-keeping extrabudgetary costs, 1974-1988



1974-1988 expenditure

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Figure 2 (a).

Peace-keeping extrabudgetary costs, 1974

Total expenditure: \$117,116,137

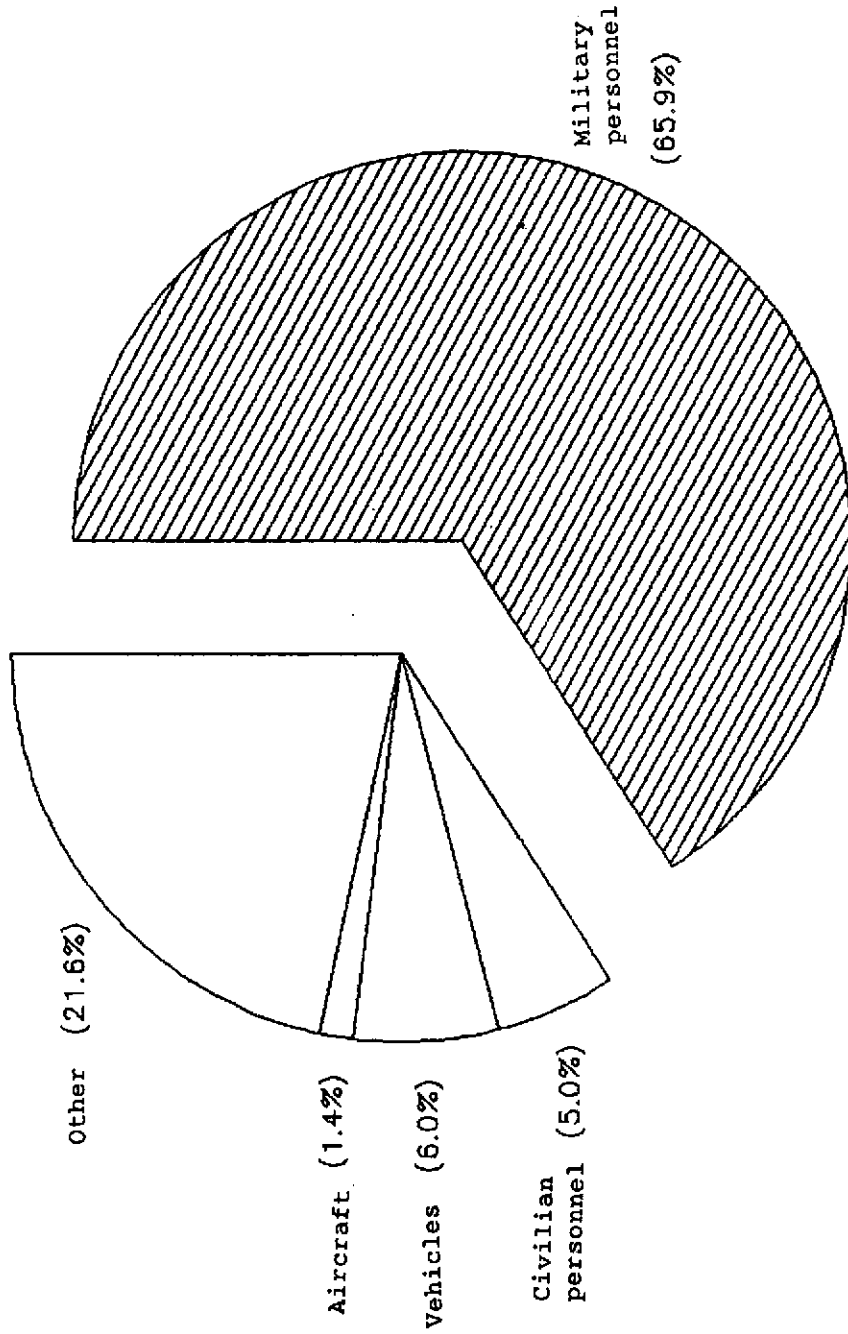


Figure 2 (b).

Peace-keeping extrabudgetary costs, 1980

Total expenditure: \$192,366,145

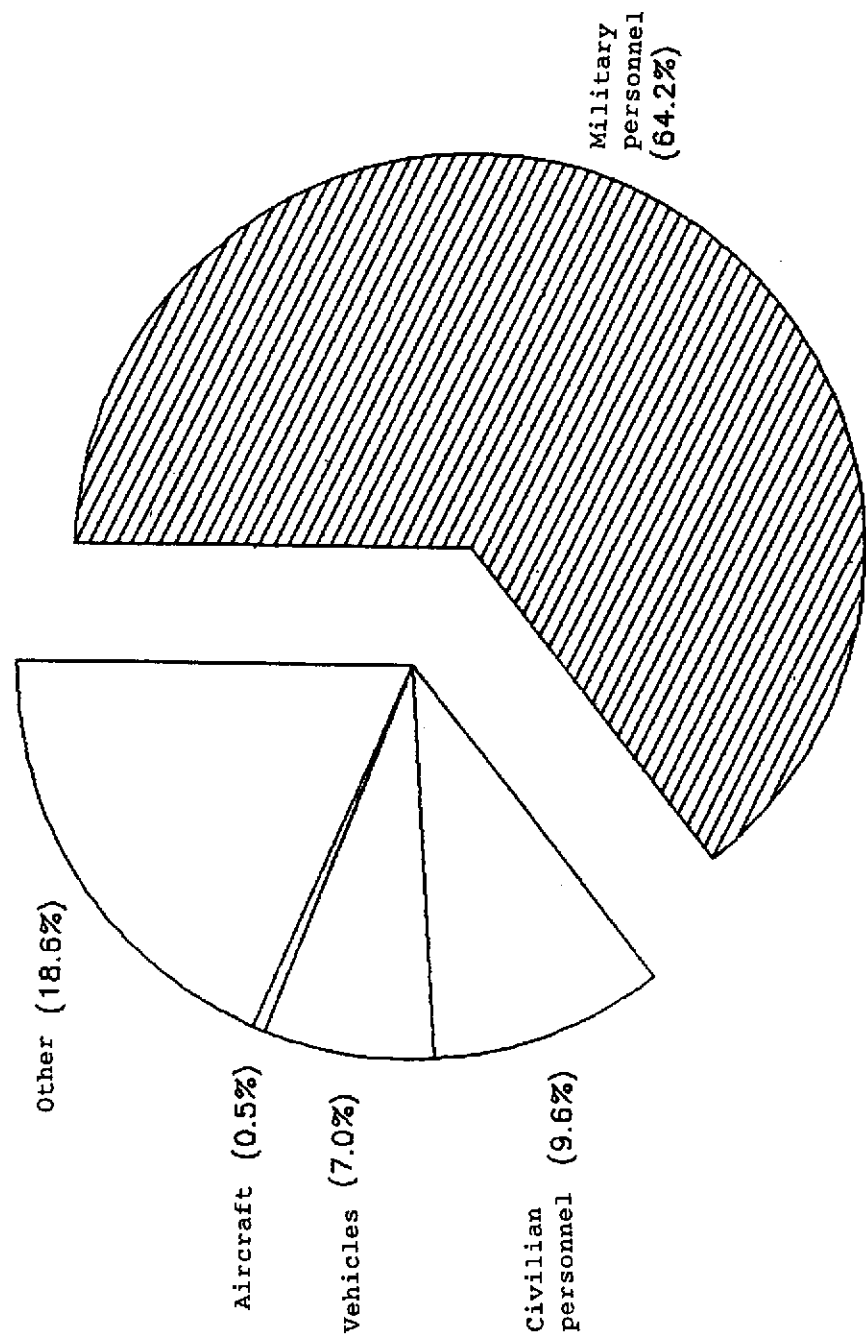


Figure 2 (c).

Peace-keeping extrabudgetary costs, 1988

Total expenditure: \$243,263,704

