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Financing of the United Nations Mission in the Central African Republic and Chad

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Report of the Secretary-General

Summary

The present report provides details on the final disposition of the assets of the United Nations Mission in the Central African Republic and Chad. The Mission's assets, with a total inventory value of \$127,284,600, were disposed of as at 30 June 2014 in accordance with financial regulation 5.14 of the Financial Regulations and Rules of the United Nations.

Summary of the final disposition of the assets of the United Nations Mission in the Central African Republic and Chad as at 30 June 2014

(Thousands of United States dollars)

	<i>Inventory value</i>	<i>Percentage</i>
Group I: transferred to other missions or the United Nations		
Logistics Base for temporary storage	94 403.3	74.2
Group II: disposed of in the mission area		
Sold to other United Nations agencies and international organizations	3 003.8	2.4
Sold to private companies and individuals	5 378.7	4.2
Group III: written off/lost	24 498.8	19.2
Total	127 284.6	100.0

The action to be taken by the General Assembly is set out in paragraph 10 of the present report.



I. Introduction

1. The mandate of the United Nations Mission in the Central African Republic and Chad (MINURCAT) was established by the Security Council in its resolution 1778 (2007) and subsequently extended. It ended on 31 December 2010 in accordance with Council resolution 1923 (2010). On 1 January 2011, the Mission began its administrative liquidation, which continued until 30 April 2011.
2. The present report provides details on the final disposition of the assets of MINURCAT as at 30 June 2014, undertaken in accordance with financial regulation 5.14 of the Financial Regulations and Rules of the United Nations.
3. There has been a delay in concluding the asset disposal process stemming from the need to finalize the administrative process of writing off assets deemed lost and irrecoverable while being shipped.

II. Classification and disposition of the assets

4. The process of liquidating the assets of MINURCAT was guided by the following principles and policies contained in financial regulation 5.14:
 - (a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other peacekeeping operations or will be placed in reserve to form start-up kits for use by future missions;
 - (b) Equipment not required for current or future peacekeeping operations may be redeployed to other United Nations activities funded from assessed contributions, provided that there is a demonstrated need for the equipment;
 - (c) Equipment not required for current or future peacekeeping operations or other United Nations activities funded from assessed contributions but which may be useful for the operations of other United Nations agencies, international organizations or non-governmental organizations will be sold to such agencies or organizations;
 - (d) Any equipment or property not required or which it is not feasible to dispose of in accordance with subparagraphs (a), (b) or (c) above or which is in poor condition will be subject to commercial disposal in accordance with the procedures applicable to other United Nations equipment or property;
 - (e) Any assets which have been installed in a country and which, if dismantled, would set back the rehabilitation of that country shall be provided to the duly recognized Government of that country in return for compensation in a form to be agreed by the Organization and the Government. This refers in particular to airfield installations and equipment, buildings, bridges and mine-clearing equipment. Where such assets cannot be disposed of in this manner or otherwise, they will be contributed free of charge to the Government of the country concerned. Such contributions require the prior approval of the General Assembly.
5. The assets of MINURCAT, with a total inventory value as at 30 June 2014 of \$127,284,600 and a corresponding residual value of \$83,377,200, have been grouped into 16 categories: accommodation equipment, communications equipment, data-processing equipment, field defence equipment, generators, medical

equipment, miscellaneous equipment, observation equipment, office equipment, petrol tank plus metering equipment, prefabricated buildings, refrigeration equipment, security equipment, vehicular equipment, water and septic tanks, and water and purification equipment.

6. In accordance with the principles and policies recalled in paragraph 4 above, the assets of MINURCAT have been placed into three groups (see table 1).

Table 1

Summary of the final disposition of the assets of the United Nations Mission in the Central African Republic and Chad

(Thousands of United States dollars)

	<i>Inventory value</i>	<i>Percentage</i>
Group I: transferred to other missions/United Nations activities or the Logistics Base for temporary storage	94 403.3	74.2
Group II: disposed of in the mission area		
Sold to other United Nations agencies	2 996.6	2.4
Sold to other international organizations	7.2	-
Sold to private companies and individuals	5 378.7	4.2
Subtotal	8 382.5	6.6
Group III: written off/lost		
Written off	24 091.4	18.9
Lost	407.4	0.3
Subtotal	24 498.8	19.2
Total	127 284.6	100.0

7. Group I includes assets identified as meeting the requirements of peacekeeping operations or United Nations activities funded from assessed contributions. The items in this group, with an inventory value of \$94,403,300 (74.2 per cent of total asset value) and a corresponding residual value of \$68,535,800, have been transferred to other United Nations missions and the United Nations Logistics Base at Brindisi, Italy, to be stored temporarily for future use.

8. Group II includes assets disposed of locally with a total inventory value of \$8,382,500, representing 6.6 per cent of the total inventory value of MINURCAT assets, and a corresponding residual value of \$4,321,500. It comprises assets sold to United Nations agencies, funds and programmes with an inventory value of \$2,996,600 and a corresponding residual value of \$1,586,100, assets sold to the International Criminal Court with an inventory value of \$7,200 and a corresponding residual value of \$2,800 and assets disposed of through commercial sale to private companies and individuals with an inventory value of \$5,378,700 and a corresponding residual value of \$2,732,600. The amount of \$3,095,000, representing the proceeds of the sales, was credited as miscellaneous income to the MINURCAT special account (see table 2).

Table 2

Sale of assets

(Thousands of United States dollars)

	<i>Inventory value</i>	<i>Residual value</i>	<i>Sale value</i>
Sold to other United Nations agencies	2 996.6	1 586.1	1 586.1
Sold to other international organizations	7.2	2.8	2.8
Sold to private companies and individuals	5 378.7	2 732.6	1 506.1
Total	8 382.5	4 321.5	3 095.0

9. The inventory value of assets in group III totals \$24,498,800, representing 19.2 per cent of the total asset inventory value and a corresponding residual value of \$10,520,000. Those assets have been written off mainly as a result of inventory discrepancies, losses in transit, normal wear and tear uneconomical prospects for recovery and obsolescence (see table 3).

Table 3

Assets written off or lost

(Thousands of United States dollars)

	<i>Inventory value</i>	<i>Residual value</i>
Accident and damage (vehicles)	149.9	65.5
Accident and damage (other)	155.7	84.7
Faulty equipment	145.7	73.3
Inventory discrepancy	9 985.5	3 973.6
Lost in transit	3 322.9	1 517.0
Natural disaster	34.8	13.2
Theft	84.4	48.0
Normal wear and tear	1 455.0	686.9
Uneconomical to recover	2 939.2	1 441.4
Obsolescence	5 818.3	2 437.7
Subtotal	24 091.4	10 341.3
Lost	407.4	178.7
Total	24 498.8	10 520.0

III. Action to be taken by the General Assembly

10. The action to be taken by the General Assembly is to take note of the present report.