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**Financing of the United Nations Angola Verification Mission and
the United Nations Observer Mission in Angola****Financing of the United Nations Observer Mission
in Angola****Report of the Secretary-General****Summary*

The present report provides details on the final disposition of the assets of the United Nations Observer Mission in Angola (MONUA). The inventory value of the assets of the Mission as at 20 June 2000 totalled some \$89,313 million, 33 per cent (\$29,052,100) of which has been transferred to the other peacekeeping operations or to the United Nations Logistics Base at Brindisi, Italy, for temporary storage. The remaining 67 per cent relates to assets which have been disposed of in the Mission area (\$31,888,200) and reported as written-off/lost (\$28,372,700). The disposal of MONUA assets has been guided by the principles endorsed by the General Assembly in section VII of its resolution 49/233 A of 23 December 1994.

The action to be taken by the General Assembly, as set out in paragraph 8, is to take note of the report on the final disposition of assets of MONUA and to approve the donations of assets with total inventory value of \$235,800 and corresponding residual value of \$81,700 to various United Nations agencies and non-governmental bodies, as detailed in annex IV to the present report.

* The footnote required in accordance with paragraph 8 of resolution 53/208 B was not included in the original submission.

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I. Introduction

1. The United Nations Observer Mission in Angola (MONUA) was established by the Security Council in its resolution 1118 (1997) of 30 June 1997. The mandate of the Observer Mission was extended by the Council in subsequent resolutions.
2. By its resolution 1229 (1999) of 26 February 1999, the Security Council took note of the fact that the mandate of the Observer Mission expired as of that same date and endorsed the recommendations contained in paragraphs 32 and 33 of the report of the Secretary-General to the Council dated 24 February 1999 (S/1999/202) regarding the technical liquidation of MONUA.
3. The present report on the final disposition of the assets of MONUA is submitted pursuant to section VII of General Assembly resolution 49/233 A of 23 December 1994, in which the Assembly endorsed the proposals of the Secretary-General on the disposition of the assets of peacekeeping operations contained in his report of 25 May 1994 (A/48/945, para. 110 (d)) and the recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in its report of 18 November 1994 (A/49/664, para. 116).

II. Classification and disposition of the assets of the United Nations Observer Mission in Angola

4. The process of liquidating the assets of MONUA was guided by the following principles and policies, as approved by the General Assembly in section VII of its resolution 49/233 A:
 - (a) Equipment in good condition that conforms to established standardization or is considered compatible with existing equipment will be redeployed to other United Nations operations elsewhere in the world or will be placed in reserve to form the start-up kits for use by future missions;
 - (b) Equipment not required by other peacekeeping missions but which may be useful for operations of other United Nations agencies, international organizations or non-governmental organizations and which it is not feasible to keep in reserve will be sold to a relevant agency or organization;
 - (c) Any equipment or property not required or which it is not feasible to dispose of in the above manner or which is in poor condition will be subject to commercial disposal in the area of operations, following standard United Nations regulations and procedures;
 - (d) Any surplus mission assets remaining after disposition under the terms referred to in paragraphs (a) to (c) above, and/or any assets which have already been installed in the country and which, if dismantled, would in fact set back the rehabilitation process of the country, will be contributed to the duly recognized Government of the country involved. This refers in particular to airfield installations and equipment, bridges and mine-clearing equipment. All efforts should be made to obtain from the Government its agreement to compensate the United Nations in a mutually acceptable form (inter alia, contributions, services, tax exemption) for the residual value of any surplus mission assets installed in the country which could not be otherwise disposed of. The General Assembly should, as a matter of principle, be

requested to approve any such disposition of mission assets, which would provide for free-of-charge contribution to the Government. In the case of MONUA, a caveat in the Status of Forces Agreement required Government approval for the disposal of assets. The Government of Angola has stated its interest in purchasing all surplus assets. At each stage of the negotiations, the sale documents were forwarded to United Nations Headquarters for scrutiny and clearance. The surplus of MONUA assets was then presented in lots for sale. In this regard, the Government of Angola approved sales of Group II assets to other United Nations agencies only and made a global offer for the remaining balance of the MONUA inventory.

5. On the basis of the inventory records as at 20 June 2000, the assets of MONUA were established at approximately \$89.313 million, predicated on their inventory value. For ease of classification, these assets have been grouped into 17 categories of equipment presented in standard peacekeeping operation budgets: prefabricated buildings, vehicular equipment, air traffic control equipment, communications equipment, office equipment, data-processing equipment, generators, observation equipment, petrol tank plus metering equipment, water and septic tanks, medical and dental equipment, accommodation equipment, refrigeration equipment, miscellaneous equipment, water purification equipment, public information equipment and mine-clearing equipment.

6. In accordance with the principles and policies recalled in paragraph 4 above, the assets of MONUA have been placed into three groups and four subgroups, as presented in summarized form in the table below, in annex I and in detailed form in annexes II to V to the present report.

Table 1
Summary of the final disposition of assets of MONUA

(Thousands of United States dollars)

<i>Group</i>	<i>Quantity</i>	<i>Inventory value</i>
I. Transferred to other missions or for temporary storage to the United Nations Logistics Base at Brindisi	6 465	29 052.1
II. Disposed of in the mission area		
a. Sold	8 860	31 652.4
b. Donated	70	235.8
III. Written-off/lost		
a. Written-off	8 722	27 599.2
b. Thefts	670	773.5
Total	24 787	89 313.0

(a) Group I includes assets identified as meeting the requirements of other United Nations missions. The items in the group, with an inventory value of \$29,052,100 (33 per cent of the total asset value), have been transferred to other United Nations missions and the United Nations Logistics Base at Brindisi for temporary storage pending future use. Details are shown in annex II;

(b) Group II consists of assets with an inventory value of \$31,888,200 and includes two subgroups: II (a), items sold, and II (b), items donated as follows:

(i) Subgroup II (a), with an inventory value of \$31,652,400 (35 per cent), consists of assets sold to other organizations or within the mission area. A breakdown of the recipients of \$31,652,400 is shown in table 2 below and more detailed information is contained in annex III. The amount of \$8,585,900, representing the proceeds of sale, has been credited as miscellaneous income to the MONUA Special Account.

Table 2
Sale of the assets of MONUA

(Thousands of United States dollars)

<i>Sold to</i>	<i>Inventory value</i>	<i>Sale value</i>
Kaushik Bhowmick	90.0	11.3
ECOMOG	570.0	124.8
FAO	14.1	5.4
Government of Angola	30 447.4	8 332.6
Mulemba	28.4	5.7
Private individuals	183.0	3.0
UCAH	128.7	38.3
UNDP	130.2	47.5
UNFPA	13.5	5.9
UNICEF	2.1	0.9
WFP	45.1	10.5
Total	31 652.4	8 585.9

(ii) Subgroup II (b), with an inventory value of \$235,800 (less than 1 per cent), consists of prefabricated buildings, vehicular equipment, generators, petrol tank plus metering equipment, water tanks, accommodation equipment, miscellaneous equipment and water purification equipment, which were donated to the various United Nations agencies and non-governmental organizations, as shown in annex IV to the present report. A cost-benefit analysis was done to determine whether it was cost-effective to transport these items of equipment to a holding area and then transfer them to the United Nations Logistics Base at Brindisi or to other peacekeeping missions. The results of the analysis showed that, taking into account the residual value of the equipment, which amounted to \$81,700, it was not economical to dismantle and ship these items. The assets were donated, pending the approval of the General Assembly.

(iii) Group III totals \$28,372,700 and includes two subgroups: III (a), assets written-off, with a total inventory value of \$27,599,200 (31 per cent); and III (b), assets stolen during the course of the Mission, with an inventory value of \$773,500 (less than 1 per cent). Detailed information is shown in annex V on the assets recommended for write-off by the MONUA local property survey board. The approval of the write-offs has not yet been completed.

III. Losses of United Nations property

7. In accordance with paragraph (c) of General Assembly decision 52/485 of 26 June 1998, detailed information and justification on written-off and lost items are provided in the table and narrative below.

Table 3

Losses of United Nations property reported by MONUA

(Thousands of United States dollars)

<i>Category</i>	<i>Inventory value</i>	<i>Residual value</i>
Condemned	32.6	10.5
Unaccounted for	2 352.6	924.1
Wear and tear	14 697.8	6 415.1
Hostile action	440.5	235.5
Accident	2 335.7	869.3
Reported lost	1 130.9	473.3
Unacknowledged transfers	124.5	65.0
Damage	768.3	295.0
Uneconomical to recover	5 716.3	3 160.6
Theft	773.5	334.0
Total	28 372.7	12 782.4

Condemned

Three television sets, one item of electrical equipment and one water purification equipment, with total inventory value of \$32,600 and residual value of \$10,500, received from other missions in obsolete condition, are being written off as condemned.

Unaccounted for

As the liquidation team was not able to identify the names of the officials who received some of the equipment provided to the battalions, including items of welfare, catering, petroleum and miscellaneous equipment, these assets, with total inventory value of \$2,352,600 and residual value of \$924,100, are being written off as unaccounted for.

Wear and tear

Assets with a total inventory value of \$14,697,800 and residual value of \$6,415,100 have been identified as unserviceable owing to wear and tear. These include 237 prefabricated buildings, 394 items of vehicular equipment, 202 items of communications equipment, 40 items of office equipment, 313 items of data-processing equipment, 193 generators, 54 items of petrol tank plus metering equipment, 341 water tanks, 16 items of medical and dental equipment, 727 items of accommodation equipment, 219 items of refrigeration equipment, 1,629 items of

miscellaneous equipment, 17 items of water purification equipment and 21 items of public information equipment.

Hostile action

Assets with a total inventory value of \$440,500 and residual value of \$235,500, including 10 items of vehicular equipment, 45 items of communications equipment, 1 photocopier, 3 items of data-processing equipment, 2 generators, 5 items of accommodation equipment, 2 refrigerators, and 7 items of miscellaneous equipment, were recommended for write-off owing to hostile action as a result of an evacuation in 1997. The properties were left behind in various locations in the Mission area and were not found when the Mission resumed its operations in the country.

Accident

One hundred and forty-two light vehicles, three medium vehicles, one heavy vehicle, one item of engineering equipment and four items of material handling equipment were written off owing to traffic accidents in the course of the Mission. In addition, two items of communications equipment, two items of data-processing equipment, one water tank, 10 television sets and six video cassette recorders, one camera and one power drive booster were also lost because of accidents. The total inventory value of assets written off as a result of the accidents amounted to \$2,355,700. The corresponding residual value is \$869,300.

Reported lost

Some assets, including 2 items of transport tools and equipment, 707 items of communications equipment, 6 items of office equipment, 99 items of data-processing equipment, 71 generators, two binoculars, 19 fuel pumps, 13 water tanks, 105 items of accommodation equipment, 12 refrigerators, 69 items of miscellaneous equipment, 9 items of water purification equipment and 4 items of public information equipment, with a total inventory value of \$1,130,900 and residual value of \$473,300, were reported lost during the course of the Mission, as detailed in annex V to the report.

Unacknowledged transfers

Assets with a total inventory value of \$124,500 and residual value of \$65,000, including communications radio equipment, accommodation equipment, public information equipment and mine-clearing equipment, have been unacknowledged as transfers by the United Nations Logistics Base at Brindisi and recommended to be written off from the inventory records.

Damage

Assets with a total inventory value of \$768,300 and residual value of \$295,000, including 8 prefabricated buildings, 11 items of vehicular equipment, 10 items of communications equipment, 4 items of office equipment, 111 items of data-processing equipment, 38 generators, 20 water tanks, 153 items of accommodation equipment, 10 refrigerators, 12 items of miscellaneous equipment and 1 item of water purification equipment, were damaged beyond repair during the course of the Mission and recommended for write-off.

Uneconomical to recover

Based on the location and condition of 77 items of prefabricated buildings, 141 items of vehicular equipment, 3 items of radio equipment, 34 items of data-processing equipment, 65 generators, 17 petrol tank plus metering equipment items, 49 water tanks, 104 items of accommodation equipment, 77 items of refrigeration equipment, 197 items of miscellaneous equipment, 6 items of water purification equipment and 2 speaker systems, with a total inventory value of \$5,716,300 and residual value of \$3,160,600, it was determined to be uneconomical to recover and transfer these items of equipment. It was therefore recommended to write them off.

Theft

Twenty-four light vehicles, 1 medium vehicle, 237 items of communications equipment, 3 photocopiers, 6 facsimiles, 16 items of data-processing equipment, 215 generators, 1 fuel pump, 2 microscopes, 152 items of accommodation equipment, 1 refrigerator, 7 items of miscellaneous equipment and 5 items of public information equipment, with a total inventory value of \$773,500 and residual value of \$334,000, were reported stolen during the course of the Mission. Recovery efforts were not successful. It was recommended to write off this equipment from the inventory records.

IV. Action to be taken by the General Assembly

8. The action to be taken by the General Assembly is to take note of the report on the final disposition of assets of MONUA and to approve the donations of assets, with total inventory value of \$235,800 and corresponding residual value of \$81,700, to various United Nations agencies and non-governmental organizations, as detailed in annex IV to the present report.