

**General Assembly**

Distr.: General  
8 April 2004

Original: English

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**Fifty-eighth session**

Agenda items 134 and 142

**Administrative and budgetary aspects of the financing of the  
United Nations peacekeeping operations****Financing of the United Nations Observer Mission in Georgia****Financial performance report for the period from 1 July  
2002 to 30 June 2003 and proposed budget for the period  
from 1 July 2004 to 30 June 2005 of the United Nations  
Observer Mission in Georgia****Report of the Advisory Committee on Administrative and  
Budgetary Questions**

Appropriation for 2002/03	\$31,705,800
Expenditure for 2002/03	\$28,821,700
Appropriation for 2003/04	\$30,709,000
Proposal submitted by the Secretary-General for 2004/05	\$32,351,000
Recommendation of the Advisory Committee for 2004/05	\$31,925,700

**I. Introduction**

1. The recommendations of the Advisory Committee in paragraphs 21, 23, 25, 26 and 32 below would entail a reduction of \$425,300 in the proposed budget for the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2004 to 30 June 2005. The 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 Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/759) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNOMIG.

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

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

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 56/503 of 27 June 2002, appropriated an amount of \$33,143,700 for the period from 1 July 2002 to 30 June 2003, inclusive of \$31,705,800 for the maintenance of the Mission, \$1,284,100 for the support account for peacekeeping operations and \$153,800 for the United Nations Logistics Base. UNOMIG expenditures for the period totalled \$28,821,700 gross (\$26,901,400 net). The resulting unencumbered balance of \$2,884,100 gross (\$3,026,300 net) represents in gross terms 9.1 per cent of the appropriation of \$31.7 million.

5. The unutilized balance was primarily attributable to lower than budgeted expenditures for air transportation (due mainly to the non-deployment of the third tactical helicopter), ground transportation (the majority of the vehicle and spare-parts needs were met from the surplus stock of liquidating missions), international staff costs (an actual vacancy rate of 15 per cent compared with 10 per cent budgeted), national staff costs (lower service allowance expenditures and the declassification of Tbilisi as a hazardous duty station) and facilities and infrastructure (due mainly to lower rental expenditures, postponement of alteration and renovation projects and lower usage and cost of petrol, oil and lubricants for generators) (see A/58/639, paras. 7, 8 and 10-12).

6. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussions of the proposed budget for the period from 1 July 2004 to 30 June 2005 in the paragraphs below and in its general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations.

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

7. The Security Council in its resolution 1494 (2003) endorsed the recommendation of the Secretary-General in his report of 21 July 2003 (S/2003/751, para. 30) that a civilian police component of 20 officers be added to UNOMIG to strengthen its capacity to carry out its mandate and, in particular, contribute to the creation of conditions conducive to the return of internally displaced persons and refugees. The United Nations Controller, in a letter dated 16 September 2003, informed the Committee that the estimated costs of \$1,518,400 arising from the decision of the Security Council would be accommodated from within the existing appropriation to cover the phased deployment of 18 civilian police officers and 9

civilian staff (2 international and 7 national), as well as the acquisition of additional facilities, vehicles, communications, information technology and miscellaneous equipment and services. Should additional funding be required, the Committee was informed that it would be sought in the context of the budget performance of the Mission for the period 2003/04.

8. As at 29 February 2004, a total of \$218,284,000 had been assessed on Member States in respect of UNOMIG since its inception. Payments received as at the same date amounted to \$197,878,000, leaving an outstanding balance of \$20,406,000. As at 29 February 2004, the cash position of the Mission was \$4,800,000, and unliquidated obligations for the period from 1 July 2002 to 30 June 2003 amounted to \$1,350,000.

9. With regard to contingent-owned equipment, as at 29 February 2004 an amount of \$175,345 had been reimbursed. There was no additional amount owed to Member States for costs of contingent-owned equipment and no unliquidated obligations for the period to 30 June 2004. In respect of death and disability compensation, \$426,000 had been paid as at 29 February 2004 for nine claims, five claims were pending and unliquidated obligations amounted to \$66,000.

10. The following table shows incumbency as at 29 February 2004:

<i>Category of personnel</i>	<i>Posts approved 2003/04<sup>a</sup></i>	<i>Posts encumbered</i>	<i>Vacancy rate (percentage)</i>
Military observers	135	117	13.0
Civilian police	20	11	39.0
International staff	109	101	9.0
National staff	177	176	1.0

<sup>a</sup> Representing the highest level of authorized strength.

11. The Advisory Committee was provided with expenditure data for the period from 1 July 2003 to 30 June 2004 as at 29 February 2004 (see annex). Expenditure for the current period amounted to \$18,904,100 gross (\$17,876,100 net), against an apportionment of \$30,709,000 gross (\$28,748,800 net).

12. The Advisory Committee was informed that currently UNOMIG is not receiving any contributions from the Government of Georgia under the status-of-mission agreement. The Mission is operating out of three airports and negotiations are still under way for UNOMIG to gain exemptions from air navigation and related charges.

#### **IV. Proposed budget for the period from 1 July 2004 to 30 June 2005**

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

13. The Advisory Committee commends the progress achieved in the results-based budget presentation for UNOMIG for 2004/05. Its comments and observations are contained in its general report on the financing of peacekeeping operations, which it

notes that the objective of helping the Security Council to maintain international peace and security is the same as that indicated for all peacekeeping missions. **The Advisory Committee is of the opinion that an effort should be made to state the objective for UNOMIG on the basis of the specific mandate established by the Security Council for the Mission. The Committee stresses the importance of drafting the expected accomplishment, indicators of achievement and planned output under each component in a clear and succinct manner. Moreover, outputs should be worded in a meaningful way and be attainable within clearly established time frames so that their monitoring and reporting may be facilitated.**

14. The Committee enquired about the status of the management review of the staffing and organizational structure of UNOMIG, conducted in April 2003, and was informed that the report has not yet been finalized. **The Committee finds the protracted approach to the management review of the staffing requirements and structure of the Mission regrettable. The Committee expected to see the results of the review incorporated in the proposals for 2004/05. The Committee is concerned that, after such extensive delays in the implementation of the results, the findings of the review may become irrelevant since the Mission may be facing new challenges in the future. The Committee recommends that the Board of Auditors follow up on the issue of the review of the staffing and organizational structure of the Mission.** Further comments of the Committee on management reviews of the staffing and organizational structure of missions are contained in its general report.

15. **The annex to the proposed budget (A/58/640) shows the organization chart of UNOMIG. The Committee requests that in the future the budget document include the number of staff in each organizational unit of the Mission in its organization chart.**

## B. Resource requirements

### 1. Military and police personnel

<i>Category</i>	<i>Posts approved 2003/04<sup>a</sup></i>	<i>Posts proposed 2004/05<sup>a</sup></i>
Military observers <sup>a</sup>	135	135
Civilian police <sup>a</sup>	20	18

<sup>a</sup> Representing the highest level of authorized/proposed strength.

16. Pursuant to paragraph 17 of Security Council resolution 1494 (2003), it is proposed that a force of 18 civilian police officers continue to be deployed in the Mission area in 2004/05 at an estimated cost of \$488,000 (see A/58/640, sect. II.A). A 10 per cent vacancy factor has been budgeted.

17. For the period 2002/03, the Committee was informed that an average force of 112 military observers met the requirements of the Mission, resulting in a vacancy rate of 17.4 per cent, as compared with 15 per cent budgeted. Upon request, the Committee was informed that, for the budget period 2004/05, the closure of four

military observer sites in 2002/03 had no bearing on the current and projected operations of military observers.

18. The outputs planned for the civilian police component show that 60 local police officers will be trained at the Kosovo Police Service School (see A/58/640, component 3). The Committee was informed that the Secretariat is exploring ways and means of implementing these activities with resources from the Department of Political Affairs, outside the assessed budget, upon presentation of a detailed cost plan.

## 2. Civilian personnel

<i>Category</i>	<i>Posts approved 2003/04</i>	<i>Posts proposed 2004/05</i>
International staff	109	114
National General Service staff	177	209

### Recommendations on posts

19. *Three Professional posts (1 P-5, 1 P-4 and 1 P-3), Office of the Senior Police Adviser, civilian police component (A/58/640, para. 9).* **For the reasons given in the budget document, the Committee recommends acceptance of the proposal, with the exception of the P-3 post for a civilian affairs officer whose functions appear to overlap with those of the human rights officer mentioned below.**

20. *One P-3 post, Human Rights Officer in the Human Rights Office in Abkhazia, Georgia (see A/58/640, component 1).* **The Committee recommends acceptance of the proposal, noting that, in addition to human rights activities, the post will also cover matters relating to an expected greater influx of refugees and internally displaced persons (see para. 35 below).**

21. *One Field Service post, interpreter/translator; and one national post, receptionist, Office of the Special Representative of the Secretary-General (see A/58/640, paras. 7 and 8).* The Committee was informed of the need of the Special Representative to provide communications and reports in two languages to the parties on a confidential basis. **Taking into account the information provided, the Committee recommends approval of the Field Service level post for an interpreter/translator.** With regard to the post of receptionist, the Committee was informed that the post had been mistakenly reported in the list of local staff provided to the Committee in connection with its review of the proposed budget for 2003/04. The person functioning as a receptionist is encumbering a post borrowed from the Public Information Office (media analyst). **According to information received, the addition of the receptionist would allow the Mission to recruit the media analyst. The Advisory Committee finds this explanation confusing and insufficient and recommends that action on this post be deferred pending completion of the management review of the Mission's staffing (see para. 14 above).**

22. *One National post, interpreter, Office of the Chief Military Observer (see A/58/640, component 2).* The Committee was informed that military observers envisage patrolling in the Kodori Valley, resulting in additional interpretation

requirements when patrolling starts. **The Committee recommends acceptance of the proposal.**

23. *Ten national posts: seven for language assistants (interpreters) and three for administrative and secretarial functions, civilian police component* (A/58/640, para. 10). The Committee was informed that seven language assistants (interpreters) are needed to help the civilian police officers in their contacts with the local authorities and population. The language assistants (interpreters) will not be recruited until the Abkhaz authorities permit the deployment of the civilian police to the Gali sector. The Mission has planned two patrols per day at each location (Gali and Zugdidi) and the support staff and language assistants would be employed as required by the deployment of the additional civilian police officers. **On the basis of the information provided, the Committee recommends approval of the seven additional national posts for language assistants; however, bearing in mind the existing staff capacity, the requirements for three support staff should be met from within the existing national staff.**

24. **The Committee believes that there is a need to establish standards in the missions for the number of national staff servicing the language and administrative requirements of the civilian police. This matter is discussed further in the Committee's general report on the financing of the peacekeeping operations.**

25. Under the support component, it is proposed to reclassify the posts of Chief, General Service, currently at the P-4 level, to the P-5 level for the new post of Chief, Technical Services, supervising five technical sections (communications and information technology; engineering; air operations; movement control; and transport (see A/58/640, para. 11 and annex)). **The Committee recommends that changes in post levels be postponed pending the release of the findings of the review of the staffing and management structure of the Mission; furthermore, it believes that there is a need to establish a common approach to the supervision of these technical functions in peacekeeping missions, and to have a clear organization chart showing how this post relates to the function of the Chief Administrative Officer.**

26. It is also proposed to regularize under the support component 20 individual contracts on special service agreements. These contracts would be converted into fixed-term contracts under the 100 series of the Staff Rules for national staff in the areas of engineering, communications, information technology, general service, transport, finance and personnel. **This matter is discussed extensively in the Advisory Committee's general report (A/58/759). As for the specific case of UNOMIG, in the Committee's opinion, changes in the contractual arrangements of the staff on special service agreements should be postponed until the report of the review on the staffing and management structure of the Mission is made available, and further proposals in this regard should also take into account what the Committee has said on this matter in its general report.**

27. **Furthermore, the Committee recalls its comments and observations (A/55/874, paras. 41-45) on the use of United Nations Volunteers in peacekeeping operations. In the view of the Committee, the Secretariat should continue to make efforts to obtain the services of the United Nations Volunteers for peacekeeping activities to supplement the use of international staff, making**

greater use of them in substantive and technical areas such as human rights, communications, public information and language services.

#### Other observations and recommendations

28. For the period 2002/03, the Committee was informed that the average vacancy rate for international staff was 14.8 per cent (compared with 10 per cent budgeted) and for national General Service staff 0.6 per cent (compared with 5 per cent budgeted).

29. In addition to the reduced requirements resulting from the higher vacancy rates, underexpenditure resulted from international General Service staff being appointed at lower levels than assumed in the budget. **The Advisory Committee has called attention to the consistent recruitment of international staff at grades lower than those approved in the authorized staffing tables in peacekeeping operations and pointed to the need for review and reclassification, where appropriate, of such posts (see, for example, A/57/772, para. 81).**

30. For 2002/03, overexpenditure in common staff costs resulted from the fact that the proportion of international staff on 100 series appointments increased to almost 50 per cent as compared with the budgeted proportion of 40 per cent.

31. The Advisory Committee exchanged views with representatives of the Secretary-General on the conversion of the contractual status of staff in peacekeeping missions from the 300 series of the Staff Rules to the 100 series. With regard to UNOMIG, the Committee was informed that cost implications for the conversion of the contractual status of staff members from the 300 to the 100 series of the Staff Rules in 2004/05 were not included in the budget estimates for 2004/05 for the Mission. The comments of the Advisory Committee on this issue are contained in its general report (A/58/759).

### 3. Operational costs

<i>Apportioned 2003/04</i>	<i>Proposed 2004/05</i>
\$12 112 300	\$11 624 400

32. It is proposed to hire eight additional security guards under appointments of limited duration, as general temporary assistance (see A/58/640, para. 18). The Committee was informed that the eight additional security guards would assist in the supervision of the Mission's private security guards. UNOMIG is not outsourcing security services within the confines of the Mission's compounds; however, the provision of armed military guards would continue to be outsourced for the external perimeter security. **The Committee believes that an adequate justification for these additional personnel should have been provided in the document. The issue of security arrangements at UNOMIG should have also been examined in the context of the review of the staffing and management structure of the Mission mentioned in paragraph 14 above and explained more comprehensively. The Committee is of the opinion that a policy needs to be developed with regard to the management of security arrangements, which would inter alia specify conditions for application and methods of supervision.**

**The Committee discusses this matter further in its general report on peacekeeping operations. Pending the conclusion of the management review, and the development of the policy referred to above, the Committee recommends that consideration of these posts be deferred.**

33. Cost estimates for ground transportation in 2004/05 of about \$2.6 million (compared with \$1.2 million for 2003/04) reflect provisions for the acquisition of vehicles, including the replacement of six heavy armoured vehicles (RG32 Scouts) by six armoured four-wheel-drive Landcruisers for the military observers. The Mission proposes to replace its fleet of RG32 Scouts, which have had chronic service problems, with more reliable ballistic vehicles. The Committee was informed that so far the Mission has replaced 12 RG32 Scouts with 6 RG31 Nyalas. During the period 2003/04, six RG32 vehicles would be shipped to the United Nations Logistics Base at Brindisi, Italy. In addition, the Mission would replace 16 general-purpose vehicles that are considered obsolete or are damaged. **The Committee is concerned about the transfer to Brindisi of armoured vehicles that may no longer be operational or useful in other missions without incurring excessive maintenance costs. The Committee stresses that all issues pertinent to the write-off and disposal of obsolete and damaged vehicles should be addressed according to the guidelines on the subject and in a timely manner, keeping in mind the best financial interest of the Organization.**

34. For 2002/03, underexpenditure in air transportation of some \$1.2 million was mainly attributable to the non-deployment of the third tactical helicopter for security reasons, partially offset by additional requirements resulting from higher than budgeted rental costs for an AN-26 fixed-wing aircraft, following a newly negotiated contract with the carrier. The Committee was provided with detailed information on the flying hours and cost of flying hours for two MI-8 helicopters and one AN-26 fixed-wing aircraft. Liability insurance also increased during the period because of the rise in war risk insurance premiums after the events of 11 September 2001 and the helicopter crash in Georgia in October 2001. Cost estimates for air transportation for 2004/05 of some \$2.6 million, as compared with about \$4.1 million for 2003/04, mainly reflect the removal of the provision for a third light tactical helicopter.

### **C. Other matters**

35. The Committee notes from the most recent report of the Secretary-General (S/2004/26, paras. 28 and 29) that UNOMIG continues to provide assistance to internally displaced persons and that other organizations are providing assistance to human rights and humanitarian activities and programmes. The Committee requested information on the coordination of the Mission with other United Nations bodies, in particular with the Office of the United Nations High Commissioner for Human Rights and the Office of the United Nations High Commissioner for Refugees. The Committee was informed that the Human Rights Office in Abkhazia, Georgia, reports monthly to the Office of the High Commissioner for Human Rights in Geneva. The Human Rights Office meets regularly with the Organization for Security and Cooperation in Europe mission in Georgia and with the International Committee of the Red Cross, and has extensive cooperation with non-governmental organizations working on human rights matters in Abkhazia.



36. The Committee sought clarification of the public information activities budgeted for 2004/05. The Mission's staff currently includes a P-4 Information Officer post. A provision of \$49,900 has been requested for 2004/05 for the acquisition of public information equipment, public information services and supplies and maintenance of equipment. The Committee was informed that the Department of Public Information was providing general support to UNOMIG and that the Mission is planning to arrange a visit of the UNOMIG spokesperson to the Department of Public Information.

37. For 2002/03, the reduced requirement in public information expenditures of about \$6,500 resulted from the Mission's receiving a budgeted digital satellite receiver from surplus stock of UNMISSET and a reduction in the number of brochures published and other savings in supplies and maintenance.

## V. Conclusions of the Advisory Committee

38. The actions to be taken by the General Assembly are set out in paragraph 15 of the performance report (A/58/639) and paragraph 25 of the budget report (A/58/640). **The Advisory Committee recommends that the unencumbered balance of \$2,884,100 for the period from 1 July 2002 to 30 June 2003 be credited to the Member States in a manner to be determined by the General Assembly. The Committee further recommends that other income/adjustments for the period ended 30 June 2003, amounting to \$1,212,000, also be credited to Member States.**

39. **Taking into account its comments in the paragraphs above, the Advisory Committee recommends that the General Assembly appropriate the amount of \$31,925,700 for the maintenance of the Mission for the 12-month period from 1 July 2004 to 30 June 2005.**

### *Documentation*

- Performance report on the budget of the United Nations Observer Mission in Georgia for the period from 1 July 2002 to 30 June 2003 (A/58/639)
- Budget for the United Mission Observer Mission in Georgia for the period from 1 July 2004 to 30 June 2005 (A/58/640)
- Reports of the Secretary-General on the situation in Abkhazia, Georgia (S/2003/1019 and S/2004/26)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financing of the United Nations Observer Mission in Georgia (A/57/772/Add.1)
- Security Council resolutions 1494 (2003) and 1524 (2004)
- General Assembly resolutions 56/503 and 57/333 on the financing of the United Nations Observer Mission in Georgia

## Annex

### Actual expenditure for the United Nations Observer Mission in Georgia for the period from 1 July 2003 to 30 June 200

(Thousands of United States dollars)

<i>Category</i>	<i>Apportionment</i>	<i>Expenditure as at 29 February 2004</i>
<b>Military and police personnel</b>		
Military observers	3 455.1	2 379.6
Military contingents	27.9	—
Civilian police	—	69.8
Formed police units	—	—
<b>Subtotal</b>	<b>3 483.0</b>	<b>2 449.4</b>
<b>Civilian personnel</b>		
International staff	12 810.4	8 567.3
National staff	2 303.3	1 546.5
United Nations Volunteers	—	—
<b>Subtotal</b>	<b>15 113.7</b>	<b>10 113.8</b>
<b>Operational costs</b>		
General temporary assistance	84.2	91.5
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	—	1.8
Official travel	603.7	396.7
Facilities and infrastructure	2 501.2	1 429.0
Ground transportation	1 189.0	755.5
Air transportation	4 095.6	2 398.9
Naval transportation	—	—
Communications	1 473.5	570.8
Information technology	1 254.9	268.3
Medical	134.0	15.0
Special equipment	—	0.5
Other supplies, services and equipment	776.2	412.8
Quick-impact projects	—	—
<b>Subtotal</b>	<b>12 112.3</b>	<b>6 340.9</b>
<b>Gross requirements</b>	<b>30 709.0</b>	<b>18 904.1</b>
Staff assessment income	1 960.2	1 028.0
<b>Net requirements</b>	<b>28 748.8</b>	<b>17 876.1</b>
Voluntary contributions in kind (budgeted)	18.6	—
<b>Total requirements</b>	<b>30 727.6</b>	<b>18 904.1</b>