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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Budget performance for the period from 1 July 2018 to 30 June 2019 and proposed budget for the period from 1 July 2020 to 30 June 2021 of the United Nations Logistics Base at Brindisi, Italy

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2018/19	\$82,448,900
Expenditure for 2018/19	\$82,078,800
Unencumbered balance for 2018/19	\$370,100
Appropriation for 2019/20	\$63,381,400
Projected expenditure for 2019/20	\$63,301,300 ^a
Projected underexpenditure for 2019/20	\$80,100 ^a
Proposal submitted by the Secretary-General for 2020/21	\$62,852,300
Adjustment recommended by the Advisory Committee for 2020/21	(\$214,100)
Recommendation of the Advisory Committee for 2020/21	\$62,638,200

^a Estimates as at 29 February 2020.

* Reissued for technical reasons on 8 May 2020.

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I. Introduction

1. During its consideration of the financing of the United Nations Logistics Base at Brindisi, Italy (see [A/74/620](#) and [A/74/730](#)), the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 9 April 2020. The comments and recommendations of the Committee on cross-cutting issues related to peacekeeping operations are contained in its report ([A/74/737](#)), and those pertaining to the findings and recommendations of the Board of Auditors on the United Nations peacekeeping operations for the period from 1 July 2018 to 30 June 2019 can be found in its related report ([A/74/806](#)).

II. Budget performance report for the period from 1 July 2018 to 30 June 2019

2. By its resolution [72/287](#) the General Assembly approved the cost estimates of \$82,448,900 gross (\$75,838,500 net) for the maintenance of the United Nations Logistics Base for the period from 1 July 2018 to 30 June 2019. Expenditures for the period totalled \$82,078,800 gross (\$75,865,400 net), reflecting a budget implementation rate of 99.6 per cent. The resulting unencumbered balance of \$370,100, in gross terms, represents 0.4 per cent of the approved resources, reflecting the combined effect of: lower-than-budgeted expenditures under civilian personnel costs (\$3,526,300, or 8.1 per cent); and higher-than-budgeted expenditures under operational costs (\$3,156,200, or 8.2 cent). A detailed analysis of variances is provided in section IV of the report of the Secretary-General on the budget performance of the Base for the period from 1 July 2018 to 30 June 2019 ([A/74/620](#)).

3. Summary information on the redeployment of resources between groups is provided in paragraph 55 of the performance report. It is indicated that a total amount of \$3,291,500 was redeployed from group II, civilian personnel, to group III, operational cost, to cover increased requirements, attributable mainly to the replacement of obsolete information and communications technology equipment, unforeseen repairs and maintenance of premises at the United Nations Logistics Base, replacement of the heating, ventilation and air-conditioning system and the settlement of outstanding claims from former individual contractors. The report further indicates that the redeployments from group II, civilian personnel, were possible owing to reduced requirements for international staff, including: (a) a higher actual vacancy rate, of 21.2 per cent compared with the budgeted rate of 16.7 per cent; and (b) the appreciation of the United States dollar against the euro, contributing to a reduction in the post adjustment multiplier, from 35.6 per cent applied in the proposed budget for the 2018/19 period ([A/73/774](#), para. 136) to 25.1 per cent in June 2019.

III. Information on performance for the current period

4. With respect to current and projected expenditures for the period from 1 July 2019 to 30 June 2020, the Advisory Committee was informed that, as at 29 February 2020, expenditures amounted to \$44,752,500 (gross), and that at the end of the current financial period, the estimated total expenditures would amount to \$63,301,300, leaving a projected unencumbered balance of \$80,100, with a projected budget utilization of 99.9 per cent.

IV. Proposed budget for the period from 1 July 2020 to 30 June 2021

A. Mandate and planned results

5. The United Nations Logistics Base has been in operation since late 1994, when a memorandum of understanding governing the use of property and facilities at Brindisi by the United Nations was signed by the Secretary-General and the Government of Italy, and the General Assembly welcomed the establishment of the Base in its resolution [49/233](#). Addendums to the memorandum of understanding were signed in 2001, 2008 and 2011. By its decision 58/557 and resolution [62/231](#), the General Assembly approved the transfer of additional buildings and open areas pledged by the Government of Italy. The concept of strategic deployment stocks was adopted by the General Assembly in its resolution [56/292](#) in 2002. Subsequently, a Memorandum of Understanding governing the use of premises in Valencia by the United Nations was signed by the Secretary-General and the Government of Spain in 2009. The planning assumptions and mission support initiatives of the Logistics Base for the 2020/21 period are summarized in section I.B of the report of the Secretary-General on the proposed budget for the Base for 2020/21 ([A/74/730](#)).

6. In its resolution [73/310](#), the General Assembly endorsed the recommendation of the Advisory Committee that the Secretary-General be requested to present a separate, comprehensive report on the revised concept of operations for strategic deployment stocks based on a thorough and detailed analysis on all aspects of the management of strategic deployment stocks, including financial implications and enhanced effectiveness and efficiency, as well as on location issues. The report of the Secretary-General indicates that the requested report will be presented for consideration by the General Assembly in the second resumed part of its seventy-fifth session.

B. Resource requirements

1. Financial resources

(Thousands of United States dollars)

Category	Expenditure (2018/19)	Apportionment (2019/20)	Cost estimates (2020/21)	Variance	
				Amount	Percentage
Military and police personnel	–	–	–	–	–
Civilian personnel	40 263.7	40 104.6	41 388.5	1 283.9	3.2
Operational costs	41 815.1	23 276.8	21 463.8	(1 813.0)	(7.8)
Gross requirements	82 078.8	63 381.4	62 852.3	(529.1)	(0.8)
Staff assessment income	6 213.4	6 236.8	6 145.5	(91.3)	(1.5)
Net requirements	75 865.4	57 144.6	56 706.8	(437.8)	(0.8)
Voluntary contributions in kind (budgeted)	–	–	–	–	–
Total requirements	82 078.8	63 381.4	62 852.3	(529.1)	(0.8)

Note: Detailed information on the financial resources proposed and an analysis of variances is provided in sections II and III of the proposed budget.

2. Civilian personnel

<i>Category</i>	<i>Approved 2019/20</i>	<i>Proposed 20/21</i>	<i>Variance</i>
International staff	138	139	1
National staff ^a	306	306	–
Temporary positions ^b	2	2	–

^a National General Service staff.

^b Funded under general temporary assistance.

7. The proposed resources for civilian personnel for 2020/21 amount to \$41,388,500, reflecting an increase of \$1,283,900, or 3.2 per cent, compared with the apportionment for 2019/20. The budget document indicates that the increase is primarily attributable to higher requirements for international staff (\$1,081,200, or 5.5 per cent) owing to the planned deployment of 139 international staff, compared with 138 in the current period, as well as higher common staff costs due to an increase in expenditures for education, assignment and settlement grants (A/74/730, para. 121).

Recommendations on posts and positions

8. A total of 447 posts and positions are proposed for the 2020/21 period, as compared with 446 in the current period, reflecting the establishment of one post, the conversion of one post and the reclassification of two posts. The proposed staffing comprises 139 international staff, 306 national staff and 2 temporary assistance positions.

Establishment

9. It is proposed to establish one post of Engineering Assistant (national General Service) in the Environmental Technical Support Unit, Supply Chain Service, to augment support to the water and wastewater pillar (see A/74/730, para. 102). The Advisory Committee notes that the current capacity of the Unit consists of six posts and positions (1 P-4, 3 P-3, 2 national General Service). **The Advisory Committee is of the view that the functions of the proposed post of Engineering Assistant can be met from within the available capacity of the Environmental Technical Support Unit and therefore recommends against establishment of the post.**

Conversion

10. It is proposed to convert one post of Property Management Assistant (G-7, national General Service) to a post of Property Management Officer (P-3) in the Property Management Cell, Central Service (ibid., paras. 94 and 95). Upon enquiry the Advisory Committee was informed that the proposed reclassification of the proposed post from G-7 (currently vacant) to P-3 has not yet been submitted for classification, pending decision of the General Assembly. **In the Advisory Committee's view, the categorization of the proposed staffing change as a conversion is inconsistent with the definitions provided in annex I.B of the budget document and should more appropriately have been presented as the proposed abolishment of the post of Property Management Assistant (G-7) and the proposed establishment of the post of Property Management Officer (P-3). Consequently, the Committee recommends against the conversion.**

Reclassification

11. It is proposed to reclassify one post of Administrative Assistant (G-6) as one post of Senior Liaison Assistant (G-7) in the office of the Chief, Service for

Geospatial, Information and Telecommunications Technologies, who acts as the head of premises at Valencia (ibid., 108–110). **The Advisory Committee is not convinced of the need for the reclassification of the functions of the proposed post of Senior Liaison Assistant (G-7) in the Office of the Chief, Service for Geospatial, Information and Telecommunications Technologies. The Committee trusts that the Secretary-General will provide further information on his proposal to the General Assembly at the time of its consideration of the present report.**

Vacancy rates and vacant posts

Vacancy rates (percentages)

Category	Actual 2018/19	Budgeted 2019/20	Actual average vacancy rate from 1 July 2019 to 29 February 2020	Actual vacancy rate as at 29 February 2020	Projected 2020/21
Civilian personnel					
International posts	21.2	17.0	16.0	17.4	16.0
National posts	6.3	6.0	5.4	5.6	5.0
Temporary positions ^a					
International	14.3	15.0	37.5	0.0	0.0
National ^b	—	—			—

^a Funded under general temporary assistance.

^b No national general temporary assistance positions are proposed in the 2020/21 period.

12. The table above shows that the vacancy rate of 5.0 proposed for national posts in 2020/21 is lower than both the actual average vacancy rate for the period from 1 July 2019 to 29 February 2020 (5.4 per cent) and the actual vacancy rate as at 29 February 2020 (5.6 per cent). **The Advisory Committee reiterates its view that proposed vacancy rates should be based, as much as possible, on actual rates. In cases where the proposed rates differ from the actual rates, clear justification should be provided systematically in the proposed budget and related documents (see also A/73/755/Add.1, para. 29).**

13. Upon enquiry, the Advisory Committee was informed that, as at 29 February 2020, a total of 41 posts were vacant at the United Nations Logistics Base. **The Advisory Committee recalls the General Assembly's request, expressed consistently in its resolutions on peacekeeping budgets, that the Secretary-General ensure that vacant posts be filled expeditiously (A/71/836, para. 108).**

14. The Advisory Committee was also informed that one post of Electrician (national General Service) in the Campus Support Section had been vacant for more than two years. **The Advisory Committee recommends the abolishment of the above post, which has been vacant since November 2017 and is at an early stage of recruitment.**

15. Subject to its recommendations in paragraphs 9, 10 and 14 above, the Advisory Committee recommends the approval of the Secretary-General's proposals for civilian personnel. Any related operational costs should be adjusted accordingly.

3. Operational costs

(United States dollars)

	<i>Apportioned 2019/20</i>	<i>Proposed 2020/21</i>	<i>Variance</i>
Operational costs	23 276 800	21 463 800	(1 813 000)

16. The proposed decrease of \$1,813,000, or 7.8 per cent, for operational costs in 2020/21 mainly reflects reduced requirements under communications and information technology (\$2,223,900), offset in part by higher requirements under facilities and infrastructure (\$400,900).

17. The Advisory Committee was provided with supplementary information showing details by object of expenditure on: (a) the approved resources for 2018/19 and 2019/20; (b) the actual expenditures for 2018/19; (c) the actual expenditures as at 29 February 2020 and estimated requirements for the 2019/20 period; and (d) the proposed resources for 2020/21. For several objects of expenditure, the information provided shows that, even though considerable underexpenditure was recorded in 2018/19 and for the first eight months of 2019/20 (from 1 July 2019 to 29 February 2020), resources for 2020/21 continue to be proposed at approximately the same levels approved for the prior periods, or in some cases, higher than previously. **In view of the pattern of expenditure in the current and/or performance periods, the Advisory Committee is not convinced by the justification provided for the proposed level of resources for the following items:**

(a) *Consultants*

As at 29 February 2020, total expenditures for Consultants in 2019/20 amounted to \$100,700 against an apportionment of \$347,200. **Taking into consideration the need for use of in-house capacity, the Advisory Committee recommends that the proposed provision of \$261,600 for consultants in 2020/21 be reduced by 5 per cent, or \$13,000.**

(b) *Training fees, supplies and services*

As at 29 February 2020, total expenditures for training fees, supplies and services (under object class Other supplies, services and equipment) in 2019/20 amounted to \$154,500 against an apportionment of \$387,700. **The Advisory Committee recommends that the proposed provision for training fees, supplies and services, which would increase by \$11,000 (2.8 per cent) to \$398,700 in 2020/21, be reduced by 5 per cent, or \$19,935.**

(c) *Other freight and related costs*

As at 29 February 2020, total expenditures for Other freight and related costs (under object class Other supplies, services and equipment) in 2019/20 amounted to \$35,600 against an apportionment of \$219,200. Actual expenditures in 2018/19 amounted to \$148,800 against an apportionment of \$276,500. **The Advisory Committee recommends that the proposed provision of \$215,700 for other freight and related costs in 2020/21 be reduced by 5 per cent, or \$10,800.**

Official travel

18. The proposed resources for official travel in 2020/21 amount to \$691,000, representing an increase of \$37,700 compared with the approved resources of \$653,300 in 2019/20. **The Advisory Committee recommends that the provision for official travel be reduced by 10 per cent, or \$69,100.**

Communications and information technology

19. The proposed resources for communications and information technology equipment for 2020/21 amount to \$3,110,800, reflecting a decrease of \$164,300 as compared with the apportionment of \$3,275,100 for 2019/20. The budget document indicates that, as of 30 June 2019, over 58 per cent of information and communication technology (ICT) assets had passed their useful lives, and that an increase to approximately 62 per cent is expected by 30 June 2020. It is further indicated that the Service for Geospatial, Information and Telecommunications Technologies has been prioritizing the replacement of its assets through a structured risk-assessment methodology, focusing on the replacement of assets that introduce the greatest risks to service delivery, and that the asset replacement programme would continue in 2020/21 on the same basis.

20. Upon enquiry, the Advisory Committee was informed that, out of a total of 5,323 assets, 3,094 had passed their useful life (58.1 per cent of the assets held) and were fully depreciated. The Committee was also provided with further information on the 3,094 depreciated assets, including the type and number of assets by year of acquisition, as well as a summary of the ICT asset risk assessment report for 2020, quantifying the effect of an asset disruption or breakdown. The information provided shows that the 3,094 assets having passed their useful life included a number of items acquired as recently as in the current year, such as, for instance, media storage devices acquired in 2020, desktop computers in 2019 and network service devices in 2018. **The Advisory Committee considers that the General Assembly should be provided with further information on the acquisition of ICT equipment and the asset replacement programme, including the replacement of newly acquired equipment.**

21. **Subject to its recommendations in paragraphs 15, 17 and 18 above, the Advisory Committee recommends the approval of the proposals of the Secretary-General for operational costs.**

V. Other matters

Scalability model

22. Information on the scalability model is provided in paragraphs 49 to 59 of the budget document. It is indicated that the United Nations Logistics Base has refined the existing scalability model in line with the recommendation of the Advisory Committee¹ which was endorsed by the General Assembly by its resolution [73/310](#) (see [A/73/755/Add.9](#), para. 19). The document further indicates, inter alia, that: (a) the Logistics Base scalability model is primarily focused on the services provided by the Base to mandated clients by the Service for Geospatial, Information and Telecommunications Technologies and the Supply Chain Service; (b) the scalability factor for the Logistics Base Central Service is entirely dependent the administrative

¹ See [A/73/755/Add.9](#), para. 19:

“The Advisory Committee assesses that the parameters of the scalability model should be refined to further clarify the relationship between the workload and full-time equivalent requirements, and that additional information should be provided in future submissions in order to understand how the scalability model is being applied. In addition, there is a need to ensure a consistent approach in applying the scalability model to estimate resource requirements, in particular staffing levels, as well as requirements for individual consultants and consulting services. The Committee recommends that the General Assembly request the Secretary-General to fully justify proposed changes to staffing levels and contractual personnel in his future reports, inter alia, on the basis of the parameters of the scalability model, including information on the changes in the scope of activities and level of workload.”

support required by the Office of the Director, the Service for Geospatial, Information and Telecommunications Technologies, the Supply Chain Service, and the tenant units hosted at the Base; (c) the refined scalability model takes into account the effects of the management reform and the enhanced support of the Department of Operational Support to Secretariat entities; (d) the Logistics Base has expanded the services it delivers to include technology, supply chain services, environmental technical support and remote mission support, including the use of augmented reality technologies; and (e) overall, the Logistics Base, as the operational arm of the Department of Operational Support, continues to evolve as the premier service provider of the Secretariat in the areas of technology, environment, supply chain and engineering (see also para. 27 below).

23. The Advisory Committee considers that there is a need to continue to refine the relationship between workload factors and full-time equivalent requirements, as well as to ensure consistency in the application of the scalability model to estimate resource requirements. The Committee encourages the United Nations Logistics Base to apply lessons learned from other United Nations service providers and service centres.

Services provided to other entities and cost recovery

24. Information on the services provided to other entities and an analysis of cost recovery estimates for 2020/21 are provided in paragraphs 64 to 67 and tables 3 and 4 of the budget document. It is indicated that the United Nations Logistics Base will maintain service-level agreements with 20 entities, mostly for ICT services and servicing of vehicles, with income estimated at some \$9.3 million for 2020/21 as compared with \$7.8 million in 2019/20. It is further indicated that no costs are recovered from entities or contractors working on projects for peacekeeping operations where the costs of the contractors are provided for in the budget proposals of individual missions. Table 3 of the budget document provides details on the services provided to each entity and the overall charges for each entity. The budget document further indicates that income recovered through the cost recovery fund will be used by the Logistics Base to secure the ICT resources, facilities and infrastructure that are required in order to provide services for the clients under the established service-level agreements. Table 4 summarizes the planned expenditures by object class, including a breakdown of expenditures under the communications and information technology object class. Upon enquiry, the Advisory Committee was informed that the cost-recovery income is recorded separately in the peacekeeping cost recovery fund, allowing for greater transparency and segregation of the cost recovery income from the resources provided for mandated activities.

25. With regard to contractors and personnel occupying facilities in Brindisi and Valencia (*ibid.*, paras. 60–63), the budget document indicates that some 546 full-time support personnel from other entities will occupy the United Nations Logistics Base premises in 2020/21, mostly to provide functions related to communications and information technology. It is further indicated that the cost-recovery framework enables the recovery of costs associated with the use of the Logistics Base facilities by non-Base support personnel who provide support to non-peacekeeping entities with whom the Department of Operational Support maintains a service level agreement. However, costs are not recovered for personnel of non-Base entities, including the United Nations Office for Project Services and the International Computing Centre, working on projects for the Department of Operational Support and field missions, in accordance with the provisions of contractual arrangements.

26. The Advisory Committee is of the view that the General Assembly should be provided with comprehensive and more transparent information on the services provided to different entities, the resources required to provide those

services and the different financing/cost recovery arrangements, as well as the recording of related income and expenditures.

27. The budget document mentions opportunities for the United Nations Logistics Base, as part of the Department of Operational Support, to expand delivery of strategic deployment stocks services to non-peacekeeping entities (*ibid.*, paras. 29–32). It is further indicated that, following the implementation of the new global structure, effective January 2019, Logistics Base support provision is being expanded from the traditional peacekeeping missions to include special political missions, regional commissions, offices away from Headquarters and resident coordinators' offices, in line with the mandate of the Department of Operational Support to support a wide range of Secretariat and non-Secretariat entities (*ibid.*, paras. 58 and 59). **The Advisory Committee emphasizes that prior approval needs to be obtained for the expansion and financing of services provided by the United Nations Logistics Base to non-peacekeeping clients/entities and trusts that further guidance on this matter will be provided by the General Assembly.**

Tenant units

28. As indicated in the budget document, the United Nations Logistics Base will continue to host and support tenant units, including the Standing Police Capacity and the Justice and Corrections Standing Capacity, which report to the Department of Peace Operations, and the Strategic Air Operations Centre and the Field Central Review Bodies Unit, which report to the Department of Operational Support. The Advisory Committee notes that the performance report and budget document provide details on post requirements of the tenant units as well as an overview of the activities of the tenant units and their results-based frameworks, including a list of outputs. **The Advisory Committee recommends, in the interest of clarity and transparency, that the General Assembly request the Secretary-General to include in his next reports on the United Nations Logistics Base a summary of the resource requirements and expenditures of each of the tenant units hosted at the Logistics Base.**

Disaggregated information by location

29. The Advisory Committee notes that disaggregated information for the Service for Geospatial, Information and Telecommunications Technologies by location – Brindisi and Valencia – is provided in the budget document on the proposed resource requirements for 2020/21 (table 5) and on the proposed human resources (table 9), as well as in the United Nations Logistics Base organizational chart (annex II). The performance report provides a breakdown of expenditures by location for the 2018/19 period (table 1). While welcoming the information provided on human resources, the Advisory Committee considers that the presentation of disaggregated information by location in the remaining tables on financial resources would enhance transparency and facilitate consideration of the budget and performance reports of the Logistics Base. **Accordingly, the Advisory Committee recommends that the General Assembly request the Secretary-General to include, in future submissions, disaggregated information in all the tables on the financial resources of the United Nations Logistics Base in Brindisi and Valencia.**

Settlement of claims

30. The performance report indicates that the higher requirements under Other supplies, services and equipment in 2018/19 (\$293,600, or 26.3 per cent) were attributable mainly to the settlement of claims by individual contractors. Upon enquiry, the Advisory Committee was informed that 18 labour-related claims had been filed by former individual contractors of the United Nations Logistics Base, and that

default judgements were rendered against the Organization in all 18 claims. Following extensive negotiations, the claimants agreed to settle their cases against the Organization for a total of €355,000, with settlement and release agreements being signed between the United Nations, the claimants and the counsel to the claimants. The Committee was further informed that the entire process was led by the Office of Legal Affairs (OLA), in consultation with the Logistics Base, and the Department of Field Support. The payment of the total settlement sum was approved by the Under-Secretary-General for Operational Support and the Under-Secretary-General for Management Strategy, Policy and Compliance in consultation with OLA. **The Advisory Committee trusts that the Secretary-General will take the necessary measures to prevent such cases in the future.**

VI. Conclusion

31. The actions to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base for the period from 1 July 2018 to 30 June 2019 are indicated in section VI of the performance report ([A/74/620](#)). **The Advisory Committee recommends that the unencumbered balance of \$370,100 for the period from 1 July 2018 to 30 June 2019, as well as other income/adjustments amounting to \$2,694,200 for the period ended 30 June 2019, be credited to Member States.**

32. The actions to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base for the period from 1 July 2020 to 30 June 2021 are indicated in section V of the proposed budget ([A/74/730](#)). **Taking into account its observations and recommendations above, the Advisory Committee recommends that the proposed resources be reduced by \$214,100 from \$62,852,300 to \$62,638,200. The Committee further recommends that the aforementioned amount be prorated among the individual active peacekeeping operation budgets to meet the financing requirements of the United Nations Logistics Base for the period from 1 July 2020 to 30 June 2021.**
