



United Nations

Financial report and audited financial statements

**for the 12-month period
from 1 July 2019 to 30 June 2020**

and

Report of the Board of Auditors

**Volume II
United Nations peacekeeping operations**

**General Assembly
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**Volume II
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Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions
GSC	Global Service Centre
IPSAS	International Public Sector Accounting Standards
MINUGUA	United Nations Verification Mission in Guatemala
MINUJUSTH	United Nations Mission for Justice Support in Haiti
MINURCA	United Nations Mission in the Central African Republic
MINURCAT	United Nations Mission in the Central African Republic and Chad
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSCA	United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic
MINUSMA	United Nations Multidimensional Integrated Stabilization Mission in Mali
MINUSTAH	United Nations Stabilization Mission in Haiti
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observation Mission in Angola
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
OIOS	Office of Internal Oversight Services
ONUB	United Nations Operation in Burundi
ONUC	United Nations Operation in the Congo
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
RSCE	Regional Service Centre in Entebbe, Uganda
UNAMID	African Union-United Nations Hybrid Operation in Darfur
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMSIL	United Nations Mission in Sierra Leone
UNAVEM	United Nations Angola Verification Mission
UNDOF	United Nations Disengagement Observer Force
UNEF	United Nations Emergency Force
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon

UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNISFA	United Nations Interim Security Force for Abyei
UNLB	United Nations Logistics Base at Brindisi, Italy
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMIS	United Nations Mission in the Sudan
UNMISSET	United Nations Mission of Support in East Timor
UNMISS	United Nations Mission in South Sudan
UNMIT	United Nations Integrated Mission in Timor-Leste
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOT	United Nations Mission of Observers in Tajikistan
UNOCI	United Nations Operation in Côte d'Ivoire
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission Uganda-Rwanda
UNOPS	United Nations Office for Project Services
UNOSOM	United Nations Operation in Somalia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNPSG	United Nations Civilian Police Support Group
UNSMIH	United Nations Support Mission in Haiti
UNSMIS	United Nations Supervision Mission in the Syrian Arab Republic
UNSOS	United Nations Support Office in Somalia
UNTAC	United Nations Transitional Authority in Cambodia
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAET	United Nations Transitional Administration in East Timor
UNTAG	United Nations Transition Assistance Group

UNTMIH United Nations Transition Mission in Haiti
WHO World Health Organization

Letters of transmittal

Letter dated 30 September 2020 from the Secretary-General addressed to the Chair of the Board of Auditors

In accordance with financial regulation 6.2, I have the honour to submit the financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 2019 to 30 June 2020, which I hereby approve. The financial statements have been certified by the Controller as correct in all material respects.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(Signed) António **Guterres**

Letter dated 30 September 2020 from the Chief, Financial Reporting and Contribution Service, Finance Division, Office of Programme Planning, Finance and Budget, addressed to the Executive Secretary of the Board of Auditors

This is to transmit to the Board of Auditors a complete set of the United Nations peacekeeping financial statements (statements I, II, III, IV and V) for the period 1 July 2019 to 30 June 2020, including notes to the financial statements.

(Signed) Sejong Lee

Letter dated 26 January 2021 from the Chair of the Board of Auditors addressed to the President of the General Assembly

I have the honour to transmit to you the financial statements of the United Nations peacekeeping operations for the financial period ended 30 June 2020, which were submitted by the Secretary-General. These statements have been examined by the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts, including the audit opinion thereon.

(Signed) Jorge **Bermúdez**
Comptroller General of the Republic of Chile
Chair of the Board of Auditors

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Opinion

We have audited the financial statements of the United Nations peacekeeping operations, which comprise the statement of financial position (statement I) as at 30 June 2020, and the statement of financial performance (statement II), the statement of changes in net assets (statement III), the statement of cash flows (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2020 and their financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing. Our responsibilities under those standards are described in the section below entitled “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the United Nations peacekeeping operations, in accordance with the ethical requirements relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor’s report thereon

The Secretary-General is responsible for the other information, which comprises the financial report for the year ended 30 June 2020, contained in chapter IV below, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Secretary-General and those charged with governance for the financial statements

The Secretary-General is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as the Secretary-General determines to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary-General is responsible for assessing the ability of the United Nations peacekeeping operations to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going-concern basis of accounting unless the Secretary-General intends either to liquidate the United Nations peacekeeping operations or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the United Nations peacekeeping operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the United Nations peacekeeping operations.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary-General.
- Draw conclusions as to the appropriateness of the Secretary-General's use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the United Nations peacekeeping operations to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the United Nations peacekeeping operations to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance with regard to, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of the United Nations peacekeeping operations that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules of the United Nations, we have also issued a long-form report on our audit of the United Nations peacekeeping operations.

(Signed) **Jorge Bermúdez**
Comptroller General of the Republic of Chile
Chair of the Board of Auditors

(Signed) **Kay Scheller**
President of the German Federal Court of Auditors
(Lead Auditor)

(Signed) **Hou Kai**
Auditor General of China

26 January 2021

Chapter II

Long-form report of the Board of Auditors

Summary

Audit opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2020, and their financial performance and cash flows for the year then ended in accordance with IPSAS.

Audit focus

In addition to the audit of the financial statements of the United Nations peacekeeping operations, the Board has focused its audit, inter alia, on recommendations of previous reports still to be implemented, military components, after-service health insurance, the Mine Action Service, human resources, several issues of supply chain management, cost recovery and the drawdown of UNAMID.

Scope of the present report

United Nations peacekeeping operations are deployed on the basis of Security Council mandates to maintain international peace and security. As at 30 June 2020, there were 13 active United Nations peacekeeping missions, with 116 countries contributing 72,049 military personnel and 77 countries contributing 8,766 police personnel. In addition, there were 11,199 civilian staff and 1,350 United Nations Volunteers.

The peacekeeping budget for the financial year 2019/20 was \$6.81 billion, representing a decrease of 4.9 per cent compared with the previous year's budget. The audit included the peacekeeping headquarters, the 13 active and 33 closed missions and the six special-purpose accounts, namely, the Peacekeeping Reserve Fund; the support account for peacekeeping operations; UNLB, including GSC; RSCE; the peacekeeping cost-recovery fund; and the employee benefits fund.

Key findings

Recommendations of previous years still to be implemented

The General Assembly in its resolutions [71/261 B](#), [72/8 B](#), [73/268 B](#) and [74/249 B](#), requested the Secretary-General to ensure the full implementation of the recommendations of the Board in a prompt and timely manner. The Board readdressed several of the recommendations of previous years still to be implemented in the main part of the report to show the Administration's progress in that regard.

Shortcomings concerning after-service health insurance expenditure of the support account

The Board planned to assess the funding of the support account after-service health insurance expenditure and sent a questionnaire to the Administration on 28 October 2020. The Board did not receive a response until it had finished its draft report on 16 December 2020. In its previous audits, the Board had found that staff data relevant to after-service health insurance was insufficient and needed to be overhauled. The scope of this data overhaul should be extended to allow for the appropriate calculation of monthly after-service health insurance expenditure funded

from the support account. Currently, the peacekeeping share paid is likely to be too low, while the regular budget share is likely to be too high.

Understated health-care cost shares in the valuation of the after-service health insurance liabilities

After-service health insurance costs are shared between retired staff members and the United Nations. The Board found that the United Nations cost shares assumed for the actuarial valuation of the after-service health insurance liabilities did not reflect the higher de facto cost shares of the United Nations in most cases. In particular, the insured population of health insurance plans based in the United States of America and of the United Nations worldwide health insurance plan, which represent two thirds of the total population, contributed in large part significantly less than assumed for the actuarial valuation. Thus, the after-service health insurance liabilities recorded in the financial statements may be understated.

Military component

The Board found that MINUSCA had not conducted the number of patrols as shown in the Mission's budget to protect civilians. MINUSMA found 28 severe shortfalls related to individual units or general issues of its military contingents. Those shortfalls related to undeclared caveats, a continuous lack of equipment, insufficient protection from improvised explosive devices and a refusal of commanders to comply with MINUSMA directives. MINUSMA stated that this degraded the effectiveness of its force and impaired mandate implementation.

Unmanned aircraft systems demand

Several missions used unmanned aircraft systems as intelligence, surveillance and reconnaissance platforms. The Board holds that missions should evaluate requests for information and intelligence acquisition lists ex post facto to support their statement on unmanned aircraft systems demand.

Shortcomings in partnership operations between the Mine Action Service and the United Nations Office for Project Services

The Mine Action Service was mandated to be the central service for mine action activities and to coordinate the mine action work of the United Nations. The Mine Action Service outsourced almost all its mine action work to UNOPS. Owing to reluctancy on the part of UNOPS to share information and because the Mine Action Service lacked field-based practical experience and knowledge, the Board holds that it was difficult for it to fulfil its mandate. At the same time, having UNOPS as an implementing partner for almost all mine action activities shielded the Mine Action Service from being held accountable.

Using UNOPS as an implementing partner for almost all mine action activities also added a layer of overhead costs. UNOPS did not implement mine action for the most part but used Mine Action Service funds for third-party agreements. In addition, various existing Secretariat resources were not utilized. The Administration, together with missions, need to obtain an independent analysis by a group of experts of whether this approach is cost-effective, transparent, competitive and in the interest of the Organization. The Administration had previously solicited a review of the Mine Action Service-UNOPS relationship, which lacked objectivity because the Administration had chosen a former long-time UNOPS staff member to perform it.

Short- and long-term vacancies could impede the proper fulfilment of duties

Missions either did not take any action to fill certain vacancies or did not start the recruitment process in a timely manner, without justification for the delays. The Board holds that vacant posts need to be filled without undue delay. In particular, long-term vacancies or vacancies of critical posts with core functions have a negative impact on the achievement of the mandate. Staff members in senior management with core functions are essential to coordinating and managing relevant actions.

Extensions of temporary appointments beyond 729 days under no circumstances

Temporary appointments may not exceed 729 days. Any extension beyond that results in a two-year appointment, which must be granted at least as a fixed-term appointment. Staff members on fixed-term appointments have other benefits that staff on temporary appointments do not have. By extending temporary appointments beyond 729 days, the staff member is excluded from these benefits. It is stipulated in the human resources policy that the heads of entity may grant an exceptional extension of temporary appointments beyond 364 days up to the limit of 729 days established by the General Assembly.

United Nations Multidimensional Integrated Stabilization Missions in Mali waives cost recovery from non-United Nations air travel passengers

The General Assembly requested, in its resolution [63/268](#), to explore all possible options for reducing the cost of air travel. More than 35 per cent of MINUSMA air passengers in the financial year 2019/20 were non-United Nations staff. The Mission recovered only a fraction of the associated costs. It could have recovered at least \$9 million more. MINUSMA stated that all that travel, without recovering costs, had been essential to mandate implementation. Although this is in line with a draft policy of the Administration, it undermines the declared intention of the Assembly. It also raises the demand for aircraft and fuel.

Ammunition storage

Ammunition has to be stored properly in accordance with specifications stipulated in the Manual on Police and Procedures concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions. The Board found that, at UNMISS, for example, more than 75 per cent of the ammunition was not properly stored. The Board holds that inappropriate storage should be avoided because it reduces shelf life and increases the amount of unserviceable ammunition. This ultimately leads to the avoidable reimbursement of incalculable amounts.

Processing the reimbursement of disposed unserviceable ammunition

The Board found differing unit costs in claimed reimbursements for identical items contributed. For example, a troop-contributing country reported costs for the same type of ammunition differing by 300 per cent (unit cost of \$0.68 vs. \$1.89). The Board holds that undefined cost rates for ammunition and explosives lead to the avoidable reimbursement of incalculable amounts.

Deficiencies in fuel management

The Board found significant deviations in fuel consumption records at various missions. Vehicles were provided with fuel that exceeded their tank capacity. In addition, consumption of fuel did not match output measures. For example, one generator consumed 6,200 litres of diesel but generated only 47 kWh. Usually, 6,200

litres of diesel produce approximately 18,600 kWh. The Board is concerned that insufficient resources and low-quality reviews of fuel data lead to insufficient control over fuel issuance and increase the risk of fuel fraud in the missions.

Drawdown of the African Union-United Nations Hybrid Operation in Darfur

The Board found that a majority of UNAMID items in disposal were new items that had not been issued from stock. The Board also noted large amounts of various items in stock, such as 2.7 million plain file folders. Some 3.3 million items were designated to be scrapped. On the basis of the moving average price, they had an acquisition value of approximately \$305 million. Through competitive scrapping contracts, UNAMID sold scrap by price per kg. Total revenue for sold scrap as of October 2020 was approximately \$2 million. The Board holds that excessive stock bears the risk of significant financial loss. During a mission's drawdown phase, in particular, challenges in disposing assets economically might arise.

Recommendations

The main recommendations are that the Administration:

Shortcomings concerning after-service health insurance expenditure of the support account

(a) **Determine the support account share of after-service health insurance expenditure on the basis of actual costs incurred within peacekeeping operations;**

Understated health-care cost shares in the valuation of the after-service health insurance liabilities

(b) **Determine and provide to the actuary the actual health-care cost-sharing between the United Nations and after-service health insurance beneficiaries to appropriately reflect the United Nations cost shares in the next valuation of the after-service health insurance liabilities;**

Unmanned aircraft systems demand

(c) **Stipulate that missions shall evaluate all requests for information and intelligence acquisition lists annually ex post facto, to support their statement on unmanned aircraft systems demand;**

Shortcomings in partnership operations between the Mine Action Service and the United Nations Office for Project Services

(d) **Together with the missions, obtain an independent analysis by a group of experts of whether the current exclusive partnership of having the Mine Action Service with UNOPS is cost-effective and delivering on the missions' mandates and evaluate the benefits of having the Mine Action Service implement a certain share of mine action activities itself, for example, by directly administering third-party agreements through Mine Action Service programme managers in the field;**

(e) **Include in the new memorandum of understanding with UNOPS clear stipulations on transparency and the provision of supporting documents, on the utilization of existing United Nations contracts and structures, on the consequences of non-compliance and on the UNOPS fee structure;**

Short- and long-term vacancies could impede the proper fulfilment of duties

(f) Establish internal controls to ensure that vacant core function posts are occupied without delay and avoid filling these posts with temporary appointments and assignments, except to bridge recruitment periods;

Extensions of temporary appointments beyond 729 days under no circumstances

(g) Ensure that temporary appointments do not exceed 729 days;

United Nations Multidimensional Integrated Stabilization Missions in Mali waives cost recovery from non-United Nations air travel passengers

(h) Assess the share of non-United Nations peacekeeping operations passengers on mission flights and the amount of costs that missions have not recovered; assess the budgetary impact on United Nations peacekeeping operations aircraft and fuel needs; and revise the draft policy on the transportation of non-United Nations peace operations passengers on United Nations peace operations-provided aviation assets to impose clear definitions as to when non-United Nations peacekeeping operations passenger travel is essential to implementing a mission's mandate;

Ammunition storage

(i) Reiterate to troop- and police-contributing countries that contingents store ammunition and explosives in missions according to the rules of the Manual on Police and Procedures concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions and only in a quantity as needed to avoid reimbursable unserviceable ammunition and explosives;

Processing the reimbursement of disposed unserviceable ammunition

(j) Include in all memorandums of understanding that troop- and police-contributing countries provide a price list of any ammunition and explosive that they will use/deploy, and that it shall calculate reimbursement for ammunition and explosives solely according to this price list;

Deficiencies in fuel management

(k) Provide training to staff members responsible to ensure the proper recording of fuel data, and regularly monitor and analyse fuel consumption to identify and investigate irregular fuel consumption;

Drawdown of the African Union-United Nations Hybrid Operation in Darfur

(l) Assess the reasons for the build-up of excessive property, plant and equipment and inventories and for the challenges that UNAMID faced in disposing of assets economically, and report on both issues at the end-of-mission report to prevent their recurrence in other missions.

Key facts

13	Number of active peacekeeping missions
1,350	Number of United Nations Volunteers in peacekeeping missions
11,199	Number of civilian staff engaged in peacekeeping missions
77	Number of countries contributing police personnel
8,766	Number of police personnel engaged in peacekeeping missions
116	Number of countries contributing military personnel
72,049	Number of military personnel engaged in peacekeeping missions
\$5.10 billion	Assets
\$4.60 billion	Liabilities
\$0.50 billion	Net assets
\$7.34 billion	Revenue, including assessed contributions of \$6.90 billion
\$6.81 billion	Approved budget for peacekeeping
\$6.71 billion	Expenditure on peacekeeping operations (budget basis)
\$0.10 billion	Unutilized budget

A. Mandate, scope and methodology

1. The Board of Auditors audited the financial statements and reviewed the activities of the United Nations peacekeeping operations for the financial period from 1 July 2019 to 30 June 2020 in accordance with General Assembly resolution 74 (I) of 1946. The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the International Standards on Auditing.

2. In June 2020, the Administration advised the Board to consider conducting its audits remotely in view of the coronavirus disease (COVID-19) pandemic, in line with the Organization's overall guidance on physical distancing and risk management. The Board took into consideration the advice and conducted the audits of the 13 field missions, the 2 service centres and peacekeeping headquarters remotely. This necessary limitation of the audits complicated the communication between the Board and the auditees and led to extended time on remote audits, compared with visits undertaken in previous years. Even with these extended remote audits, the audit evidence provided by the Administration was not as comprehensive as if gained on site, which resulted in additional consultations with the auditees. It is the Board's view that, at least with respect to peacekeeping operations, these remote audits were performed as an exception under unique circumstances and should not be viewed as a standard occurrence in future audits. Peacekeeping operations are focused primarily in the field and need comprehensive logistical support, which the Board would best audit on site only.

3. The financial statements of the United Nations peacekeeping operations for the year ended 30 June 2020 are the seventh set of statements prepared after the adoption of IPSAS. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements fairly present the financial position of the United Nations peacekeeping operations as at 30 June 2020 and the financial

performance and cash flows for the year then ended in accordance with IPSAS. This included an assessment of whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether the revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules. The audit included a general review of financial systems and internal controls and an examination of the accounting records and other supporting evidence to the extent considered necessary to form an opinion on the financial statements.

4. Pursuant to paragraph 6 of General Assembly resolution [47/211](#), the Board continued its audit coverage at peacekeeping headquarters, the 13 active field missions, the 33 closed missions and the six special-purpose accounts, namely, the Peacekeeping Reserve Fund; the support account for peacekeeping operations; UNLB, including GSC; RSCE; the peacekeeping cost-recovery fund; and the employee benefits funds, as detailed in annex I to the present report.

5. In addition to the audit of the accounts and the financial statements, the Board carried out reviews of peacekeeping operations under financial regulation 7.5, which allows the Board to make observations with respect to the efficiency of financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the peacekeeping operations.

6. The Board continued to report the results of audits to the Administration through management letters. The Board issued 15 management letters during the period under review.¹

7. The Board coordinated with OIOS in order to avoid unnecessary duplication and determine the extent to which the Board could rely on the work of OIOS.

8. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were communicated to the Administration, and its views have been appropriately reflected in the report.

B. Main findings and recommendations

1. General remarks

9. The Administration had to implement 108 recommendations of previous reports that the General Assembly had endorsed. It implemented 42 recommendations, 52 recommendations remain under implementation and 7 recommendations were not implemented. The Board assesses that seven recommendations were overtaken by events. The follow-up to the recommendations during the previous seven years is shown in annex II. The Board recalls that the General Assembly, in its relevant resolutions,² requested the Secretary-General to ensure the full implementation of the recommendations in a prompt and timely manner and to provide a full explanation for the delays in the implementation of all outstanding recommendations of the Board.

10. The General Assembly had put eight recommendations of the Board's previous audit report ([A/73/5 \(Vol. II\)](#)) to vote. The Assembly voted not to endorse those recommendations. In its resolution [73/268 B](#), the Assembly consequently requested the Secretary-General not to implement them, even though the Administration had accepted them (*ibid.*) and had begun to implement them ([A/73/750](#)). The Administration followed

¹ The Board issued management letters to MINURSO, MINUJUSTH, UNDOF, UNFICYP, UNIFIL, UNMIK, MONUSCO, UNISFA, UNSOS, MINUSMA, MINUSCA, UNAMID, UNMISS, GSC and RSCE.

² Resolutions [71/261 B](#), [72/8 B](#), [73/268 B](#) and [74/249 B](#).

the resolution and stopped implementing those recommendations. In the present report, the Board assessed that they had been overtaken by events (see annex II).

11. The COVID-19 pandemic affected both the Administration and the Board and complicated the audit. The Board observed the impact, especially on the Administration's provision of documents supporting its assessment of the implementation status of recommendations. On 1 September 2020, the Board requested the Administration to provide the implementation status of recommendations by 30 September. The Administration provided the status and some supporting documents in the second half of October. Even when the Board addressed the Under-Secretary-General of the departments responsible for peacekeeping on 12 November 2020 to prioritize the provision of documents to the Board for better assessing whether recommendations were implemented, the flow of information and documents remained slow and limited.

12. The Board is of the view that the Administration should put more effort into implementing recommendations and providing consolidated information supported by documents. A review of the reports of the Secretary-General on the implementation of the Board's recommendations shows that target dates for implementation were moved every year further into the future, although the General Assembly regularly reminds the Administration to implement the recommendations in a prompt and timely manner. The Board acknowledges that some recommendations need time to be implemented and that the COVID-19 pandemic affected the Administration's operations. However, the Board holds that it is necessary to implement recommendations in a timely manner to improve peacekeeping operations. To highlight important recommendations from previous reports still not implemented, the Board has readdressed them.

13. The Board recalls that the General Assembly, in its resolution [74/249 B](#), requested the Secretary-General to ensure the full implementation of the recommendations of the Board in a prompt and timely manner and to provide a full explanation for the delays in the implementation of all outstanding recommendations of the Board.

2. Recommendations of previous audit reports still to be implemented

14. The General Assembly, in its resolutions [71/261 B](#), [72/8 B](#), [73/268 B](#) and [74/249 B](#), requested the Secretary-General to ensure the full implementation of the recommendations of the Board in a prompt and timely manner. The Advisory Committee on Administrative and Budgetary Questions reiterated in its report ([A/74/806](#)) that every effort should be made to improve the rate and timeliness of the implementation of the recommendations of the Board.

15. The Board acknowledged that the Administration had implemented 42 of 108 recommendations contained in previous reports. It assessed that the Administration could put more effort into implementing some of the outstanding recommendations. The Board has readdressed some of these recommendations in the main part of the report to show how the Administration progressed in implementing them.

Recommendation implementation dates were constantly moved forward every year

United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic contingents accommodated in poor conditions since 2017

16. In 2018, the Board recommended that MINUSCA analyse the use of prefabricated buildings to avoid the accommodation of contingents in tents ([A/72/5 \(Vol. II\)](#), para. 497).

17. In 2018, the Secretary-General set the target date for implementation to the fourth quarter of 2018; in 2019, he set the target date for implementation to the second quarter

of 2019; and in 2020, he set the target date for implementation to the second quarter of 2020 (A/72/756, para. 162; A/73/750, para. 218; A/74/709, para. 165). In 2020, the Administration stated that it would implement the recommendation in January 2021.³ The Board notes that not all necessary accommodation has been provided yet.

18. The Board considers this recommendation to be still under implementation.

Force generation manual has been in draft form since 2016

19. In 2019, the Board recommended that the Administration adopt the draft force generation manual without further delay and issue guidelines which cover the entire process of force generation. The Administration should designate an accountable and responsible process owner, define the roles of individual staff, establish mechanisms such as regular staff rotation to address any conflict of interest and regulate the competitive selection of contributing countries (A/73/5 (Vol. II), para. 142). The manual has been in draft form since 2016.

20. In 2019, the Secretary-General set the target date for implementation to the fourth quarter of 2019 and, in 2020, set the target date for implementation to the third quarter of 2020 (A/73/750, para. 32; A/74/709, para. 189). The Administration stated that the force generation manual, in its final revised form, was expected to be signed in March 2021 by the Under-Secretary-General for Peace Operations.³

21. The Board considers this recommendation to be still under implementation.

No progress made in implementing recommendations on integrated operational teams since 2019

22. In 2019, the Board recommended that the Administration review the objectives, processes and staff requirements of integrated operational teams, considering the upcoming new peace and security structure. The Board also recommended updating the integrated operational teams' policy based on the above review (A/73/5 (Vol. II), paras. 183 and 185).

23. In 2019, the Secretary-General set the target date for implementation of the recommendation to the second quarter of 2019 and, in 2020, set the target date for implementation to the third quarter of 2020 (A/73/750, para. 48; A/74/709, para. 203). In 2019, he set the target date for implementation of the recommendation in paragraph 185 of A/73/5 (Vol. II) to the fourth quarter of 2019 and, in 2020, to the fourth quarter of 2020 (A/73/750, para. 50; A/74/709, para. 205).

24. The Administration stated that the implementation of both recommendations would be prioritized in 2021 but did not supply any further information.³

25. In the absence of any visible progress, the Board considers these recommendations as not implemented.

Outstanding review and issuance of policies

26. In its previous reports, the Board had noted the need to issue new or review policies in various areas:

(a) In 2018, the Board recommended that the Administration revise its policy and standard operating procedure on welfare and recreation committees (A/72/5 (Vol. II), para. 88). The Administration set a medium priority for the recommendation, with a target date for the second quarter 2018. In 2019, the Administration requested closure of the recommendation, and the target date was set to "not applicable" (A/73/750, para. 153). Owing to guidance not yet communicated by the

³ Status update comments of the Administration received in October 2020.

Administration, the Board decided that the recommendation remained under implementation. In 2020, the Administration stated that guidance was being updated and set a target date to the second quarter of 2020 (A/74/709, para. 122). During the current audit, the Administration stated that a revised standard operating procedure was under review and postponed the target date to the second quarter of 2021;

(b) In 2018, the Board also recommended that the Administration review the advance purchase policy and evaluate how best prices for peacekeeping operations travel can be achieved (A/72/5 (Vol. II), para. 308). The Administration set a high priority for the recommendation, with a target date specified as “ongoing” (A/72/756, para. 100). That assessment did not change in 2019 (A/73/750, para. 196). In 2020, the second quarter of 2021 was set as the target date (A/74/709, para. 154);

(c) In 2019, the Board recommended that the Administration issue comprehensive guidance on cost recoveries (A/73/5 (Vol. II), para. 70). The Administration set a target date for implementation to the second quarter of 2020 (A/73/750, para. 22). The target date did not change in 2020 (A/74/709, para. 179). During the current audit, the Administration stated that it would provide a comprehensive policy document in 2021;

(d) In 2019, the Board also recommended that the Administration issue guidance on the appropriate usage of funds commitments (A/73/5 (Vol. II), para. 74). The Administration set a target date to the fourth quarter of 2019 (A/73/750, para. 24). In 2020, the target date was postponed to the second quarter of 2020 (A/74/709, para. 181). During the current audit, the Administration stated that the draft guidance was being circulated and postponed the target date again, to the second quarter of 2021.

27. The Board considers the repeated pushing back of implementation target dates as problematic and holds that the Administration should expedite the implementation of previous recommendations.

Recruitment process to be improved

28. In previous reports, the Board recommended that the Administration improve the recruitment of staff at Headquarters and in missions. In 2018, the Board reviewed roster-building in peacekeeping missions and the recruitment process at Headquarters.

Improvement in roster-building remains outstanding

29. Missions are approved to recruit from a generic pool of candidates. These candidates have already been reviewed and endorsed and are available for selection (roster). The administrative instruction does not stipulate the cleansing of rosters. The Administration did not request rostered candidates to confirm their continued interest in being recruited by the United Nations

30. The Board is of the view that rosters would be more effective if they contained only eligible and interested candidates. The actual policy limits the building and maintaining of rosters by requiring that rostered candidates be retained indefinitely.

31. In 2018, the Board recommended that the Administration amend the policy for rosters with the objective to facilitate roster-building, management and data cleansing (A/73/5 (Vol. II), para. 407).

32. The Administration set a high priority for the recommendation and a target date for implementation to the third quarter of 2019 (A/73/750, para. 104). During the current audit, the Administration stated that it had not yet worked out any improvement and that there was no notable progress in the review of the roster policy. The Administration is in discussions with the stakeholders to determine the various needs of the entities concerned.

33. The Administration also stated that it had improved the quality and robustness of rosters through generic job openings. It had improved its annual workforce planning analysis of the rosters to ensure that the schedule for generic job openings focused on the rosters in greatest need of replenishment.

34. The Board holds that a prompt review of the roster policy is important. If rosters include unavailable candidates, the recruitment process will take too long in order for posts to be filled in a timely manner. The Board considers this recommendation to be still under implementation.

No indication of changes in recruitment procedures at Headquarters

35. The administrative instruction ([ST/AI/2010/3](#) and [ST/AI/2010/3/Amend.1](#)) did not allow for Headquarters to recruit from the roster. Nevertheless, eligible rostered candidates were released to hiring managers as a priority within the posting period. In 2018, the Board reviewed specific job openings at Headquarters and found that, in some cases, only rostered candidates had been reviewed. Other candidates had not been reviewed. The Board noted that the recruitment process was time-consuming and cumbersome. Hiring managers were responsible for assessing hundreds of applications, in addition to their core functions.

36. The Administration emphasized that the practice of roster selections before the job opening closes was in line with the current policy.

37. The Board recommended that the Administration review the recruitment process to increase transparency and simplify and shorten the procedure. The Administration set a target date for implementation to the third quarter of 2019.

38. The Administration stated that it had launched an initiative focused on streamlining and improving the recruitment process. This innovation effort had engaged more than 500 stakeholders in a user-focused design process to make the Inspira online recruitment process faster and easier to use.

39. The Board holds that the selection process at Headquarters is not transparent because it is not sufficiently regulated. The Administration stated that discussions were ongoing. The Board considers this recommendation to be still under implementation.

Force generation process in Umoja

40. In 2019, the Board recommended that the Administration implement the force generation process in Umoja ([A/73/5 \(Vol. II\)](#), para. 153). The Secretary-General stated that the Department of Operational Support had noted that its role in the force generation process would be to provide information on the elements related to memorandums of understanding and reimbursement issues. Furthermore, considering that this was a multilayered process, with many partners involved, the Administration would establish a working group comprising representatives of the relevant departments and the Umoja team. On the basis of the outcome of the working group's deliberations, the Administration would determine the best way to address the Board's recommendation. The Secretary-General did not specify a target date for implementation of the recommendation ([A/73/750](#), para. 41).

41. In 2020, the Secretary-General stated that the Department of Peace Operations and the Department of Operational Support had initiated a working group to undertake a review and develop a concept note for the implementation of the recommendation. The Secretary-General did not set a target date for implementation of the recommendation ([A/74/709](#), paras. 197–198).

42. In October 2020, the Administration informed the Board that critical steps in the force generation process had been incorporated into Umoja. Statements of Unit

Requirements and memorandums of understanding processes were built into Umoja. Final Statements of Unit Requirements were incorporated into memorandums of understanding in line with the decision of the General Assembly. Signed memorandums of understanding formed the basis for contingent-owned equipment reimbursements. Reimbursements for uniformed personnel and contingent-owned equipment for formed units were calculated and certified in Umoja. The implementation of the recommendations of the 2020 Working Group on Contingent-Owned Equipment that were approved by the General Assembly in Umoja/uniformed capabilities management and the incorporation of troop strength reporting and payment functionalities were priorities for the Umoja team, and the recommendation by the Board could not be considered for implementation for the present. To ensure that the findings of the Board were addressed in the meantime, and further to the completion of the force generation manual, all important decisions/records pertaining to the selection and generation of units would be recorded in the peacekeeping capability readiness system and in Umoja for relevant processes. The Department of Peace Operations would continue to assess with stakeholders, in particular the Department of Peace Operations/Office of Supply Chain Management/Umoja Coordination Service, through the instituted working group, the feasibility and timeline for implementation of the recommendation. The target date would be December 2021. The Administration did not provide any supporting documents to support that statement.

43. The Board is not able to assess without any supporting documents whether the Administration has made any progress in implementing the recommendation that the General Assembly endorsed in July 2019. In particular, the statement that the Board's recommendation would not be considered for implementation for the present contradicts the Assembly's resolution.

44. The Board considers this recommendation to be still under implementation.

Vendor management

45. In 2019, the Board recommended that the Administration review its vendor management, with due regard to good common industry standards, and subsequently assign clear responsibilities for the prioritized rectification of deficiencies identified (A/73/5 (Vol. II), para. 360).

46. The Secretary-General referred to the comments that he had already provided in paragraph 361 of A/73/5 (Vol. II) and set the target date for implementing the recommendation to the fourth quarter of 2019 (A/73/750, para. 90). In 2020, he stated that the Administration intended to undertake a comprehensive review of the current vendor management practices and set the target date for implementing the recommendation to the fourth quarter 2020 (A/74/709, paras. 231–232).

47. In October 2020, the Administration informed the Board that the negative contract performance reporting tool reports had been provided to all vendor management staff, including those in the secretariat of the Vendor Review Committee. In consultation with the Procurement Division, the secretariat determined whether a case should be submitted to the Committee for review. The United Nations Procurement Manual addressed vendor performance evaluation, with clear roles and responsibilities assigned to the stakeholders in the process. The pilot run of the instant feedback system had been launched at the end of April 2020 and was expected to be rolled out in the fourth quarter of 2020. The Administration had begun to review the financial situation of all vendors with Secretariat's contracts in value above \$10 million. However, the Administration did not provide any documents to support its statements.

48. The Board requested additional information from the Administration owing to the lack of supporting documents. The Administration had drafted 20 negative

contract performance reporting tool reports for nine vendors. It forwarded none of those reports to the Vendor Review Committee.

49. In its report, the Board expressed its expectation that the Administration not only provide information on the monitoring of vendor performance, but also information on how to improve vendor registration and maintenance of vendor data, which included the vendor pool (A/73/5 (Vol. II), paras. 338–361). The Board considers this recommendation to be still under implementation.

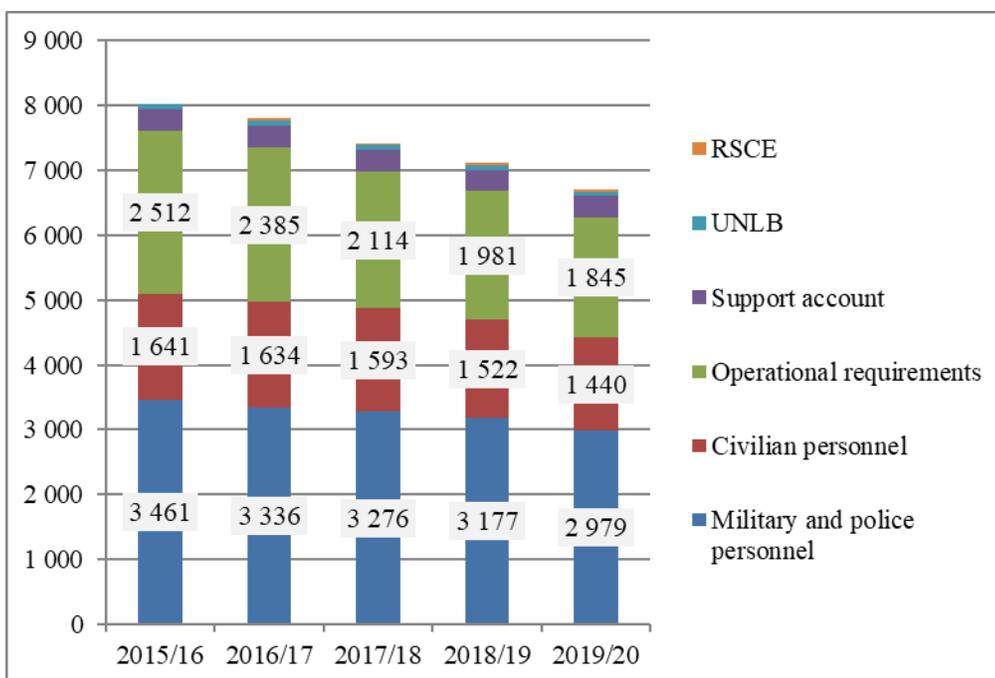
3. Financial overview

50. The approved peacekeeping budget for the financial year 2019/20 was \$6.81 billion, representing a decrease of 4.9 per cent compared with the previous year’s budget of \$7.16 billion. Expenditure decreased by 5.8 per cent in 2019/20 to \$6.71 billion, from \$7.12 billion in 2018/19. An amount of \$0.1 billion was unutilized in 2019/20, compared with \$0.04 billion in 2018/19.

Trend of expenditure

51. The trend of expenditure is depicted in figure II.I below. The details of the expenditure incurred under the three budget groups (military and police personnel, civilian personnel and operational requirements), the support account, UNLB, RSCE and voluntary contributions in kind during the five years ended 30 June 2020 are shown in table II.1.

Figure II.I
Trend of expenditure
 (Millions of United States dollars)



Source: Financial statements of peacekeeping operations.

Table II.1
Expenditure of peacekeeping operations by group

(Millions of United States dollars)

<i>Group</i>	<i>2015/16</i>	<i>2016/17</i>	<i>2017/18</i>	<i>2018/19</i>	<i>2019/20</i>
Military and police personnel	3 461.3	3 335.8	3 276.5	3 176.5	2 978.6
Civilian personnel	1 640.8	1 634.3	1 593.1	1 521.6	1 440.4
Operational requirements	2 512.3	2 384.5	2 114.5	1 980.7	1 844.9
Support account	335.9	327.1	325.8	324.7	348.9
UNLB	67.1	82.2	80.2	82.1	63.3
RSCE	–	36.3	32.8	31.4	35.4
Voluntary contributions in kind	2.8	1.0	0.9	0.8	0.7
Total	8 020.2	7 801.2	7 423.8	7 117.9	6 712.2

Source: Financial statements of peacekeeping operations.

Variances between appropriation and expenditure

52. Peacekeeping operations incurred expenditures of \$6.71 billion against the approved budget of \$6.81 billion, resulting in an underexpenditure of \$0.1 billion. The underexpenditure increased compared with the previous financial year, when it amounted to \$0.04 billion. The overall underexpenditure varied between 0.02 and 19.89 per cent at the 13 missions.

Budget redeployments

53. The total amount of budget redeployments for the financial year 2019/20 was \$196.57 million (2.9 per cent of the original budget). This is less than in 2018/19, when redeployments amounted to \$231.63 million (3.3 per cent of the original budget) and less than in 2017/18, when budget redeployments amounted to \$232.88 million (3.2 per cent of the original budget). Further details regarding the budget redeployments at the mission level are provided in annex II (Budgetary reporting by mission) to the financial statements (chap. V).

Financial position

54. The financial position varies between the different peacekeeping operations entities, especially concerning liquidity. While the cash ratio was above or close to 1 for several missions and support activities, it was close to zero for other missions as at 30 June 2020. The Administration stated that two missions (MINURSO and UNMIK) had to borrow from MINUSMA in the financial year 2019/20, owing to liquidity constraints. UNSOS had to borrow \$35.0 million from MINUSMA in July 2020, which it refunded in the same month. Further details are described below and reported by the Administration in chapter IV.

55. Overall, the assets-to-liabilities ratio increased slightly from 1.07 to 1.11. After two financial years that had recorded a deficit (\$270.2 million in 2018/19 and \$229.3 million in 2017/18), the peacekeeping operations recorded a gain of \$3.6 million in 2019/20. In the previous year, the deficit, adjustments and an actuarial loss on employee benefits liabilities of \$222.0 million led to a decrease of \$492.2 million in net assets and a drop in the assets-to-liabilities ratio. Owing to the current financial year's gain and an actuarial gain on employee benefits liabilities of \$208.8 million, net assets increased by \$212.4 million and the assets-to-liabilities ratio increased. However, the current ratio decreased slightly, owing mainly to an

increase in accounts payable to Member States. The ratios that focus on the liquidity position (i.e., quick ratio and cash ratio) decreased slightly (see table II.2). The cash ratio remains at a low level.

Table II.2
Capital structure ratios

<i>Ratios</i>	<i>30 June 2020</i>	<i>30 June 2019</i>	<i>30 June 2018</i>	<i>30 June 2017</i>	<i>30 June 2016</i>
<i>Asset position</i>					
Assets-to-liabilities ratio^a	1.11	1.07	1.19	1.19	1.17
Total assets: total liabilities					
Current ratio^b	1.25	1.27	1.23	1.22	1.17
Current assets: current liabilities					
<i>Liquidity position</i>					
Quick ratio^c	1.11	1.12	1.08	1.06	1.04
Cash + short-term investments + accounts receivable: current liabilities					
Cash ratio^d	0.47	0.49	0.45	0.66	0.60
Cash + short-term investments: current liabilities					

Source: Financial statements of peacekeeping operations.

^a A high ratio (generally at least 1) indicates an entity's ability to meet its overall obligations.

^b A high ratio (generally at least 1) indicates an entity's ability to pay off its current liabilities.

^c The quick ratio is more conservative than the current ratio, because it excludes inventory and other current assets, which are more difficult to turn into cash. A higher ratio means a more liquid current position.

^d The cash ratio is an indicator of an entity's liquidity; it measures the amount of cash, cash equivalents or invested funds that are in current assets to cover current liabilities.

Review of useful life of assets

56. The Board noted that the Administration was still working on the review of the estimates of the useful lives of assets in accordance with recommendations of the Board in that regard (see annex II to chap. II), which was initially estimated to be finished in 2019/20. The Task Force on Accounting Standards of the United Nations System Chief Executives Board for Coordination decided to collect useful life data from all United Nations system entities to ensure a harmonized approach in the United Nations system. As a result, an adjustment of the net book values of assets and net assets is possible in the next financial year.

4. Budget and finance

Impact of the COVID-19 pandemic on the financial audit

57. As noted in paragraph 2 above, the Board had to conduct the 2019/20 audit remotely. This affected the Board's approach to the financial audit. In particular, the Board could not inspect property, plant and equipment and inventory on site and observe the Administration's counting and verification procedures. The Board utilized alternative audit procedures to obtain audit evidence that was sufficient and appropriate to provide a basis for its opinion. Furthermore, the Board was able to draw on information that it had obtained in its two prior audits. Given that the Board focused on the Galileo decommissioning project and the physical inventory reconciliation and optimization project in 2017/18 and 2018/19 (A/73/5 (Vol. II), paras. 23–60, and A/74/5 (Vol. II), paras. 30–41), the line items property, plant and equipment and inventory, as well as underlying processes, were comprehensively assessed in those years. Moreover, lockdowns and other disruptions unfolded mostly

in March 2020, so that peacekeeping operated regularly for some three quarters of the financial year. In line with its recommendation from its previous report (A/74/5 (Vol. II), para. 39), the Board also requested and received written representation by each head of mission and the directors of the service centres that physical verifications had been carried out in accordance with rule 105.21 of the Financial Regulations and Rules and the policies established by the Secretary-General. By those means and limited to the financial year 2019/20, the Board was able to obtain sufficient and appropriate audit evidence for the peacekeeping operations through a remote audit.

Shortcomings concerning after-service health insurance expenditure of the support account

Background

58. ACABQ had asked the Board to conduct a review of after-service health insurance expenditure (A/74/809, para. 23) with regard to the following two incidents:

(a) Owing to overexpenditure under salary costs, the support account could not meet a share of \$5.3 million of its contribution for after-service health insurance for 2018/19. Part of the requirement was met by the unencumbered balances of nine peacekeeping operations through the apportionment of costs based on the prorated share of the support account (\$2.8 million). The remainder was deferred to the 2019/20 period under the support account (\$2.5 million) (ibid., para. 22);

(b) ACABQ recalled its observations and recommendations on the inaccuracy of data used to assess the after-service health insurance. It requested from the Secretariat, but was not provided, the monthly budgeted and actual expenditure for after-service health insurance under regular budget, support account and extrabudgetary resources (ibid., para. 24).

59. The peacekeeping share of after-service health insurance is paid through the support account. The support account for peacekeeping operations was established by the General Assembly, effective 1 January 1990, in its resolution 45/258. It became operational on 1 May 1990 as a backstop for the overload posts that were funded from the separate budgets of the five active peacekeeping operations at that time (A/63/767, para. 50). Over time, the core role of the support account changed from backstopping to a centre of support services, given that the nature of the missions and the demands placed on peacekeeping personnel had evolved (A/63/841, para. 42).

Non-compliance with the support account funding mechanism

60. The current funding mechanism for the support account was first approved by the General Assembly in 1996, by its resolution 50/221 B. ACABQ had proposed that a quantum of resources should be established on an annual basis for the requirements of the support account in the following year on the basis of a convincing analysis of overall backstopping requirements (A/50/897, para. 37). It added that, “once the General Assembly approves the minimum 12-month quantum of resource requirements (...) under the support account, these requirements would be prorated among the individual peacekeeping operation budgets” (ibid.). Upon inquiry by ACABQ, the Controller proposed that the prorated support account amounts for each mission for the 12-month period should not be changed, so as to assure that adequate and predictable funding for backstopping at Headquarters was available for the period (ibid., annex II, appendix, para. 3). The Assembly endorsed those proposals in its resolution 50/221. Thus, while minimum requirements are established, the funding mechanism does not allow the Secretariat to change the support account costs prorated to each mission ex post facto. On the missions’ side, the general rule according to regulation 5.2 of the Financial Regulations and Rules is that unencumbered balances need to be surrendered.

Reasons for the shortage of \$5.3 million and non-compliance with the Financial Regulations and Rules

61. The shortage of \$5.3 million for after-service health insurance was caused by the prioritization of salary payments in the support account. After-service health insurance is part of other supplies, services and equipment under operational requirements. Salaries are budgeted under civilian personnel. The Secretariat redeployed the funds from operational requirements to civilian personnel. Accordingly, the usage of unencumbered balances from the nine missions was a result of overexpenditure for salary costs, not for after-service health insurance.

62. The Secretariat explained that the overexpenditure under civilian personnel was due to a lower-than-budgeted vacancy rate and an increase in the post adjustment multiplier by the International Civil Service Commission, which was not reflected in the budget owing to its timing (A/73/793, paras. 16–22). In addition, the Secretariat stated that the payroll for June 2019 ran automatically and could not be avoided, while the contribution for after-service health insurance was not paid before July 2019. The Secretariat noted that after-service health insurance operated with a cash reserve of one month and was therefore not disrupted. The usage of the unencumbered balances from nine peacekeeping missions was authorized by the Controller through a memo dated 15 August 2019. The Secretary-General advised the General Assembly of the potential overexpenditure in 2018/19 and his intention, if necessary, to record valid obligations for after-service health insurance in the amount of \$6 million in 2019/20.

63. The Board acknowledges that the Secretariat found itself in a predicament. However, the actions of the Secretariat are not covered under the Financial Regulations and Rules. Furthermore, the missions and service centres have to manage resources without falling back on unencumbered balances from the other budgetary entities.

64. The Administration stated that the usage of unencumbered balances from peacekeeping missions for support account expenditure was, in its view, compliant with the Financial Regulations and Rules.

65. The Board stresses the importance of compliance with the Financial Regulations and Rules.

Lack of data on support account after-service health insurance costs

66. The Board recalls that the Administration is unable to segregate retirees into those retiring from positions under the regular budget, extrabudgetary resources and peacekeeping operations (A/74/5 (Vol. I), paras. 82–89). For the valuation of the after-service health insurance liabilities, the apportionment of the liabilities relating to retirees was done on the basis of the composition of active employees in 2009. The Board assumes that the same approach is used for monthly budgetary expenditures for after-service health insurance. That would mean that 15 per cent of ongoing costs for after-service health insurance are funded from the peacekeeping budget. The Board sent a questionnaire on the funding of after-service health insurance to the Secretariat on 28 October 2020, which included the question on the funding percentage, but did not receive a response until its draft report was finished on 16 December 2020. According to table 3 of A/73/849, the approximation of 15 per cent is not adhered to. Furthermore, as at 31 December 2017, the proportion of active employees for the financial statements as reported in volume I and peacekeeping was already 1:1, meaning that the peacekeeping share of retirees had most likely increased.

67. The Board notes with concern the lack of transparency and collaboration and refers to paragraph 3 of the annex to the Financial Regulations and Rules. Therefore, the Board could not fully assess how the Secretariat determined the support account

share of after-service health insurance expenditure. In its previous report, the Board had recommended that the Secretariat correct staff service and health-care participation data for the valuation of the after-service health insurance liabilities (A/74/5 (Vol. II), para. 49). The scope of the data overhaul should be extended to allow for the appropriate calculation of monthly support account after-service health insurance expenditure. Currently, the peacekeeping share paid is likely to be too low, while the regular budget share is likely to be too high.

68. The Board recommends that the Administration determine the support account share of after-service health insurance expenditure on the basis of actual costs incurred within peacekeeping operations.

69. The Administration accepted the recommendation and recognized the potential to overhaul the proration of after-service health insurance costs. It noted that the pro-rata shares of after-service health insurance expenses for regular, peacekeeping and extrabudgetary operations were necessitated by the lack of information on segregating retirees. However, the Administration noted that, with the advent of the integrated enterprise resource planning system (Umoja), information on recent retirees became readily available. In addition, it stated that, with the passage of time, the group of older retirees who could not be segregated had decreased.

Understated health-care cost shares in the valuation of the after-service health insurance liabilities

70. The value of the after-service health insurance liabilities in the financial statements was determined by an independent actuary. The actuary based its calculation on an aggregate share of the after-service health insurance costs borne by the United Nations. It was stated in the report by the actuary that, in the aggregate, the United Nations bore 75 per cent of costs for the Medical Insurance Plan, 66 per cent of costs for United States-based plans and the United Nations Staff Mutual Insurance Society against Sickness and Accidents plan and 50 per cent of costs for the United Nations worldwide plan.⁴ The Board noted that de facto only retirees insured under the Staff Mutual Insurance Society contributed to the after-service health insurance costs, as calculated by the actuary. The Board noted that this was not the case for all other health insurance plans.⁵

71. The Board found that, for retirees in the Medical Insurance Plan, the share of costs for the United Nations was 75 per cent for retirees with fewer than two dependents but 80 per cent for retirees with two or more dependents. The differences were larger for retirees insured under United States-based plans and the United Nations worldwide plan. The share of the United Nations contribution depended on the pension of the retiree, the number of dependents and the United Nations worldwide plan in the region in which the retiree resides:

(a) For United States-based plans, the Board identified 444 cost-sharing variations. In 54 of the variations, the cost shares of the United Nations were 66 per cent or less. The cost shares of the United Nations ranged from 57 to 97 per cent;

⁴ Upon request, the Administration stated that those shares had been derived from annex II to ST/IC/2015/8, paragraph 8 (b) of ST/IC/2019/14 and the United Nations Staff Mutual Insurance Society against Sickness and Accidents rules. A number of smaller health insurance plans are incorporated under the United Nations worldwide plan for the purpose of the present report.

⁵ The 2019/20 actuarial valuation comprised 12,596 active and 12,172 retired staff members. Of those, 8,878 staff members were covered under the Medical Insurance Plan, 5,921 under United States-based plans, 2,466 under the United Nations Staff Mutual Insurance Society against Sickness and Accidents and 7,429 under the United Nations worldwide plan. The remaining active and retired staff members receive dental coverage only.

(b) For the United Nations worldwide plan, the Board also identified 444 cost-sharing variations. In 111 of the variations, the cost shares of the United Nations were 50 per cent or less. The cost shares of the United Nations ranged from 23 to 93 per cent.

72. The Board noted that higher cost shares of the United Nations applied, in general, to lower pensions and vice versa. Lower pensions are more prevalent than higher pensions. The Board also noted that it was stated in the report of the actuary that, in practice, an active staff member paid a higher part of the total plan costs than a retired staff member. The actuary added that, in accordance with historical practice of peacekeeping operations, the valuation was still performed using the percentages mentioned above.

73. The Administration stated that the background of the cost-sharing provisions were two solidarity principles: one taking into consideration income levels and one providing a cross-generational subsidy. The latter provided for active staff to contribute more, thereby resulting in them receiving less of a subsidy, to enable the after-service health insurance participants to contribute less, thereby enabling them to receive more of their premium subsidized by the United Nations. The Administration noted that, given the application of the above solidarity principles, the active and after-service health insurance participants were treated as a single group and that the various health-care cost-sharing ratios at the individual beneficiary level would, overall, converge to the approved sharing ratios.

74. The Board holds that the United Nations cost shares assumed for the actuarial valuation of the after-service health insurance liabilities, in most cases, do not reflect the higher de facto cost shares of the United Nations. In particular, the insured population of the United States-based plans and of the United Nations worldwide plan, which represent two thirds of the total population, contribute mostly significantly less than assumed in the actuarial valuation. Thus, the Board holds that the after-service health insurance liabilities recorded in the financial statements may be understated. The Administration should determine and provide to the actuary the actual cost-sharing between the United Nations and after-service health insurance beneficiaries to appropriately reflect the United Nations cost shares in the valuation of the after-service health insurance liabilities.

75. The Board recommends that the Administration determine and provide to the actuary the actual health-care cost-sharing between the United Nations and after-service health insurance beneficiaries to appropriately reflect the United Nations cost shares in the next valuation of the after-service health insurance liabilities.

76. The Administration concurred with the recommendation that the actual health-care cost-sharing ratios be provided to the actuary and stated that it would further discuss the recommendation with the actuary.

Weaknesses in new funding model for support activities

77. In its previous report, the Board pointed out that the current financing arrangements of the peacekeeping support activities did not reflect changes resulting from the management reform. The Board recommended that the Administration propose new financing arrangements for peacekeeping support, namely, the departments at Headquarters, RSCE and UNLB, to reflect that UNLB and RSCE were subordinate to the Department of Operational Support, which provides services to the whole Secretariat after the management reform (A/74/5 (Vol. II), para. 242).

78. In March 2020, the Secretary-General proposed a new funding model for the Department of Management Strategy, Policy and Compliance and the Department of Operational Support (see A/74/761). Both Departments continued to be financed

through programme budget (volume I) and support account (volume II) resources. The proposal included the following changes:

(a) Presentation of budgets: Total post and non-post requirements are presented under the programme budget and no longer in different budget proposals. The share of the support account is reflected as a proportional grant;

(b) Basis for cost-sharing: Costs are shared on the basis of the levels of staffing between peacekeeping and non-peacekeeping activities, as represented by the current number of posts and the current number of positions funded through general temporary assistance.

79. The Board noted that the proposal included only the Department of Management Strategy, Policy and Compliance and the Department of Operational Support. Other departments and entities were also supporting both programme and peacekeeping budget activities. The budget for the financial year 2019/20 of the support account included 14 other entities.

80. In general, the Board considers it important that the support account be used solely for backstopping and supporting peacekeeping operations at Headquarters in accordance with paragraph 5 of General Assembly resolution [71/295](#).

81. The Board acknowledges the potential advantages of consolidating the presentation of the resource proposals, for example, for tracking results-based budgeting performance for each department. However, the Board sees room for improvement:

(a) The Board holds that the weaknesses in the current financing arrangement outlined in the proposal are not limited to the Department of Management Strategy, Policy and Compliance and the Department of Operational Support, but extend to all entities that are co-financed under the support account. The scope of the new funding model is limited to those two Departments. The Board advises that the new model should also include the other departments and entities (e.g., Department of Peace Operations, Department of Political and Peacebuilding Affairs, OIOS, Office of Legal Affairs);

(b) The Board also holds that the basis (share of total staffing) for apportioning the costs is imprecise. This share only vaguely reflects to what extent functions are performed for either peacekeeping or programme budget entities. The Secretary-General has not considered other methodologies, such as a workload analysis. The Board holds that the changes resulting from the management reform (e.g., new delegation of authority), including the proposed new funding model, call for a more precise analysis. Through workload analysis, the ratio of programme budget to peacekeeping budget workload could be determined. As part of the proposed new global service delivery model, the workloads for many processes would nevertheless need to be analysed. In addition, the delegation of authority to heads of peacekeeping missions has probably decreased the workload of the Secretariat and increased that of peacekeeping missions. This shift in workload could be included in the overall workload analysis. In general, a workload analysis would provide greater transparency for Member States.

82. ACABQ noted similar shortcomings and referred to the Board's relevant recommendation made in the previous year (see [A/74/7/Add.32](#)).

83. The Board recommends that the Administration reassess other methods, including a workload analysis adapted to its purpose, for determining a more precise apportionment of costs between the regular budget and the peacekeeping budget for funding the departments covered under the new funding model.

84. The Board recommends that the Administration propose including all other entities co-financed under the support account in the new funding model.

85. The Administration did not accept the recommendations. It stated that the new funding model covered only the Department of Management Strategy, Policy and Compliance and the Department of Operational Support because the follow-up measurement had initially been envisaged only for those two Departments. The Administration also stated that the model could also be applied to all or part of the peace and security architecture. It further stated that it had contemplated but rejected a workload analysis. It had assumed a workload analysis to be prohibitively labour-intensive to calculate on an annual basis, not transparent to Member States and based on internal Secretariat calculations instead of being linked to General Assembly decisions.

86. The Board upholds that the current method for determining the share of costs is imprecise and should be verified by applying alternative methods. The Board also holds that a workload analysis would be suitable. The scale and depth of such a workload analysis can be adapted to its purpose. ACABQ also reasoned that other methodologies, such as a workload analysis, merited further consideration.

Enhancing the financial report in accordance with International Public Sector Accounting Standards recommended practice guideline 2

87. Recommended practice guideline 2 provides guidance on preparing and presenting financial statement discussion and analysis. The purpose of this discussion and analysis is to assist users in understanding the financial position, financial performance and cash flows presented in the financial statements (recommended practice guideline 2, para. 1).

88. Adherence to recommended practice guideline 2 is not mandatory for any entity to be in compliance with IPSAS. However, reporting in accordance with recommended practice guideline 2 is recommended practice. It is suggested in the guideline that the financial statement discussion and analysis should include the following information:

- (a) An overview of the entity's operations and the environment in which it operates;
- (b) Information on the entity's objectives and strategies;
- (c) An analysis of the entity's financial statements, including significant changes and trends in an entity's financial position, financial performance and cash flows;
- (d) A description of the entity's principal risks and uncertainties that affect its financial position, financial performance and cash flows.

89. The peacekeeping operations publish a financial report (see chap. IV), together with financial statements, which functions as financial statement discussion and analysis. The Board compared the information in chapter IV for 2019/20 with the requirements of recommended practice guideline 2. The Board found that the peacekeeping operations had provided the analysis of the financial statements, but that chapter IV lacked recommended information on the other three areas.

90. Where financial statement discussion and analysis includes information that is also in the financial statements, it should not merely repeat what is in the financial statements, but also analyse and explain how items, transactions and events affect the entity's financial position, financial performance and cash flows. Financial statement discussion and analysis should include cross-references to the financial statements, where appropriate, to avoid duplication of information (recommended practice guideline 2, para. 18). An example of potential duplication could be "an overview of the entity's operations and the environment in which it operates", in accordance with

paragraph 16 (a) of recommended practice guideline 2 and “(a) the domicile and legal form of the entity, and the jurisdiction within which it operates; (b) a description of the nature of the entity’s operations and principal activities”, in line with IPSAS 1.150, the latter being included in note 1.

91. The Board also reviewed whether other United Nations entities adhered to recommended practice guideline 2. The Board noted that several entities had applied the guideline in full, while others, including peacekeeping operations, did not. Several entities used chapter IV to publish their financial statement discussion and analysis, together with their financial statements, but remained silent on operational context and risks.

92. The Board holds that this variation among United Nations entities makes the reports more challenging to compare and less user-friendly. The United Nations implemented IPSAS to improve the consistency and comparability of financial statements as a result of the detailed requirements and guidance provided in each standard (see [A/60/846/Add.3](#)).

93. The Board also holds that all United Nations entities should collaborate to adopt a format for the financial reports in alignment with recommended practice guideline 2. This alignment should include consistent structure, content and terminology. The matter could be brought up in the Task Force on Accounting Standards of the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination. Additional information in chapter IV would enhance accountability and decision-making by users of the financial statements, thereby contributing to the objectives of IPSAS.

94. The Board recommends that the Administration align its financial report (chap. IV) with IPSAS recommended practice guideline 2 in collaboration with other United Nations entities.

95. The Administration accepted the recommendation. It noted that the format of the financial report had evolved from a long partnership with the Board and that the financial report focused on the analysis of the financial statements and financial risks. The Administration stated that the discussion of operational aspects, such as the overview of objectives/strategy and operational risks, had been dealt with in the budget performance report of missions. The Administration also noted that the Board had taken up a broader viewpoint for comparability and consistency of financial reporting in the United Nations system entities.

5. Delegation of authority

Weaknesses in system for holding staff accountable

96. Since 2013, the Administration has been implementing the SAP-based enterprise system Umoja successively. Umoja is used not only to record transactions for financial reporting purposes, but also to administer, for example, human resources, procurement and property. The Board repeatedly reviewed how accountabilities for transactions performed in Umoja were tracked. According to the Financial Regulations and Rules, certain administrative transactions need to be certified and approved and are limited to staff with specific delegated authorities.

97. In 2019, the Secretary-General promulgated [ST/SGB/2019/2](#), which provided a new framework for recording delegations of authority outside Umoja.⁶ The Board continued to note deficiencies in the new setup.

⁶ “Framework” is used as a synonym for [ST/SGB/2019/2](#).

Umoja roles that require delegation of authority

98. Some powerful Umoja roles require that the relevant staff member hold delegated authority. The Board found that multiple staff members were provisioned with Umoja roles without having the necessary authority. In its audit for the prior year, the Board had recommended that the Administration conduct a comprehensive review of roles assigned in Umoja to ensure that the Umoja roles provisioned matched the authorities delegated ([A/74/5 \(Vol. II\)](#), para. 216).

99. During the 2019/20 audit, the Administration stated that it performed checks, on a quarterly basis, for conflicting delegations of authority and checks for Umoja roles provisioned without corresponding delegations of authority. The Board reviewed all Umoja roles provisioned that required delegated authorities at the Department of Management Strategy, Policy and Compliance, the Department of Operational Support and the Department of Peace Operations. The Board continued to find that delegations of authority were lacking for Umoja roles in all three Departments. The Board also continued to find segregation of role conflicts, for example, at MINURSO and UNDOF, and Umoja roles provisioned to deceased staff members, for example, at UNISFA. The Administration stated that some of those cases related to clean-up activities from the transition to the new framework that required a thorough review and that were therefore ongoing.

Monitoring decision-taking on the basis of authorities delegated

100. It is indicated in the new framework that decision-taking by staff members based on delegated authorities is separate from the execution of that decision ([ST/SGB/2019/2](#), para. 2.3). However, several Umoja roles executing decisions in Umoja require a delegation of authority (see paras. 98–99 above). Decision-taking was to be monitored by the Department of Management Strategy, Policy and Compliance through key performance indicators ([ST/SGB/2019/2](#), sect. 6).

101. In its previous reports, the Board had noted repeatedly that, for transactions performed in Umoja, the corresponding decisions based on delegated authorities were not systematically reflected in Umoja. In its reports for the financial years 2016/17 and 2017/18, for example, the Board highlighted that the Procurement Division at Headquarters had approved procurement decisions without any value thresholds in Umoja, and outside Umoja on paper in compliance with the delegation of authority ([A/72/5 \(Vol. II\)](#), para. 190; [A/73/5 \(Vol. II\)](#), para. 292). In its report for the financial year 2018/19, the Board pointed out that, consequently, some key performance indicators based on Umoja or Inspira metrics did not reflect decision-taking. For example, staff members with delegated authorities approved selection cases outside Inspira, while other staff members recorded the decision in Inspira without making reference to the decision. The Board reiterated that the decision-taking based on delegated authorities should be systematically reflected in enterprise systems ([A/74/5 \(Vol. II\)](#), para. 230).

102. Recording the authorities delegated to staff members is different from recording the individual decisions taken based on the delegated authorities. The Board holds that decision-taking processes should be integrated into the administrative systems such as Umoja and Inspira to the extent possible. Only then can system controls be used, the process easily monitored and the potential duplication of process steps and reviews prevented (first for decisions-making based on delegated authorities and, second, for the execution of a decision). One common solution would be for transactions entered by transactional users without delegated authority to be summarized for the decision taker with delegated authority and to be released by that individual, usually a senior staff member.

103. In cases in which this is not feasible, the Administration has to ensure that the decision-taking can be tracked in a way that allows for controls and monitoring.

104. The Board recommends that the Administration integrate decision-taking based on delegated authorities into administrative systems such as Umoja to the extent possible and, if not feasible, track individual decision-taking in a way that facilitates controls and monitoring.

Alignment of regulations and rules with processes

105. In its report for the financial year 2017/18, the Board noted that policies and Umoja processes were not completely aligned. It recommended that the Administration take stock of its policy framework and business processes and analyse how they could be aligned and simplified to improve transparency and accountability (A/73/5 (Vol. II), para. 297). The Board highlighted that the Administration should use the SAP software's standard functionalities to the extent possible and avoid customizing Umoja. The Administration set a high priority, with a target date for implementation to the second quarter of 2020 (A/73/750, para. 80). A similar recommendation had been issued for the area of travel management (A/72/5 (Vol. II), para. 316).

106. In 2019, the Administration stated that it had launched a global policy portal. During the 2019/20 audit, it stated that, since 2018, a policy simplification project was under way that would lead to the abolishment of some 130 policies. The target date for the implementation of the recommendation was postponed to June 2021.

107. The Board noted that, to date, the Administration had focused on policies and not on business processes. The Board points out that the recommendation is aimed primarily at harmonizing regulations and rules with business processes as configured in Umoja. In addition, at present, a comprehensive review of the Financial Regulations and Rules following the management reform remains outstanding.

6. Military component

Maximum troop deployment to protect civilians

108. The Board recommended that the Administration deploy the maximum possible number of troops to protect civilians when demanded by the mandate (A/74/5 (Vol. II), para. 131). The General Assembly endorsed that recommendation in its resolution 74/249 B.

109. The Administration set the fourth quarter of 2020 as the target date for implementation of the recommendation (A/74/709, para. 34). It stated that it would prioritize deployments of troops in missions on the basis of requirements to protect civilians when demanded by the mandate, while ensuring operational sustainability. Deployments were regularly reviewed on the basis of changes in mandate and operational requirements.⁷

110. The Board assessed whether the Administration had implemented the recommendation.

United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic did not conduct enough patrols to protect civilians

111. Patrolling is a core peacekeeping task and one of several activities of the MINUSCA force to support the Mission in implementing its mandate. The role in protecting civilians and securing agglomerations was a paramount concern for the

⁷ Status update comments of the Administration received in October 2020.

Mission. This is why regular security patrols were conducted, to reassure the population and help them to overcome feelings of insecurity.

112. Pursuant to the report of the Secretary-General on the budget for MINUSCA for the period from 1 July 2019 to 30 June 2020 (A/73/772), the Mission would contribute to a number of expected accomplishments by delivering related key outputs of the frameworks with four components (security, protection of civilians and human rights; support for political, peace and reconciliation processes; fight against impunity, and support for the extension of State authority and rule of law; and support), which were derived from the mandate of the Mission.

113. As indicated in the outputs of component 1, security, MINUSCA should conduct 900 daily patrols (including coordinated patrols with the Central African armed forces) across the Central African Republic to reduce the threats posed by armed groups and disrupt their funding sources by dismantling illegal checkpoints and limiting their influence and control of territory (ibid., p. 27).

114. The Board reviewed the data on patrols provided by management and noted that the average number of daily patrols in the financial year 2019/20 was 649, which was only 72 per cent of the target. No average daily patrol rate of any month had reached the projected goal.

115. The Board was concerned that the inadequate patrol rate might result in the insufficient fulfilment of the mandate of the Mission. MINUSCA should conduct patrols as planned in the results-based budget approved by General Assembly, to implement the expected accomplishments relating to the provision of security, the protection of civilians and the fulfilment of the mandate of the Mission.

116. The Administration disagreed and stated that, as indicated in the outputs of component 1 of the budget, 900 daily patrols was a planned budgetary target that could be adapted in accordance with operational requirements. The target had not been met because the force carried out numerous additional missions, such as convoy escorts, static security and combat.

117. The Board is not convinced by these comments. Convoy escorts, static security and combat are among the primary and regular tasks of the MINUSCA force. The Administration should analyse all tasks comprehensively before the budget is proposed. The execution of regular tasks cannot justify missing out on other budgeted operations. Accordingly, MINUSCA has not met the expected outcome of component 1 of its budget, which is an improved security environment and protection of civilians.

118. The Administration did not implement the recommendation to deploy the maximum possible number of troops to protect civilians when demanded by the mandate.

Unit and equipment support for missions

119. The Board recommended that the Administration support missions in ensuring that they have the units and equipment that they need (A/74/5 (Vol. II), para. 141). The General Assembly endorsed the recommendation in its resolution 74/249 B.

120. The Administration set the fourth quarter of 2020 as the target date for having implemented the recommendation (A/74/709, para. 36). It stated that it had put in place mechanisms to track issues of underperformance and address them more rapidly (ibid., para. 37). The Administration also stated that it continued to actively support missions in ensuring that they had the units and equipment that they need. This commitment had been further demonstrated during the COVID-19 pandemic with the mechanisms put in place to ensure that the necessary capabilities in units and

equipment could be retained at a maximum level, even in a crisis. The Administration considered the recommendation to be implemented and requested its closure.⁸

121. The Board assessed whether the Administration had implemented the recommendation. The missions received military personnel from troop-contributing countries. Those troops were selected by the Office of Military Affairs of the Department of Peace Operations at United Nations Headquarters. The Office had to provide military expertise to, among others, military components in the United Nations peacekeeping missions. In addition, it had to interact with the permanent missions of Member States on all military technical operational issues, significant incidents, accidents, injuries, deaths, repatriations and other current issues.

United Nations Multidimensional Integrated Stabilization Mission in Mali found 28 severe shortfalls related to individual units or general issues of its military contingents, degrading the effectiveness of its force

122. In the financial year 2019/20, MINUSMA evaluated 25 units and reported the results to the Office of Military Affairs. It graded different aspects of the units' performance, equipment and other elements in ascending order, from "unsatisfactory" to "needs improvement" to "satisfactory" and "excellent". In case of a caveat, the Mission judged its effect on mandate implementation.⁹ In 12 of the 25 evaluated units, MINUSMA identified shortfalls, most often relating to caveats and refusals to carry out orders, which had a severe negative impact on the units' overall performance and their contribution to the implementation of the Mission's mandate.¹⁰

123. Between 31 July 2019 and 28 August 2020, MINUSMA identified 16 further issues relating to shortfalls in individual units or to general issues affecting mandate implementation. These included a continuous lack of equipment;¹¹ this applied notably to insufficient protection from remote-controlled improvised explosive devices, given that more than half of the MINUSMA peacekeepers killed in 2020 had perished owing to incidents involving improvised explosive devices in Sector North.¹² Another repeated issue was a lack of cooperation from commanders of individual units, a refusal to comply with MINUSMA directives and a failure to execute operations.¹³

124. MINUSMA stated that "at times, MINUSMA receives peacekeepers that either lack proper training or neglect to apply the training they received to leverage these advantages to dominate their operational environment. These shortcomings degrade the Force's effectiveness [...] Ensuing power vacuums played into the hands of extremist groups which are positioning themselves as an alternative source of security and basic services and are reinforced by an inflow of foreign fighters".¹⁴

125. MINUSMA shared all reports on shortfalls with the Office of Military Affairs at Headquarters and stressed "the need to improve mission performance and address performance challenges (Security Council resolution 2436 (2018)) and also the

⁸ Status update comments of the Administration received in October 2020.

⁹ This relates to undeclared caveats, which become apparent only if a unit's leading officer refuses an order by a mission's Force Commander. In its resolution 2436 (2018), the Security Council noted with concern instances in which national caveats may have a detrimental effect on mandate implementation and performance.

¹⁰ Results of military evaluations performed by the MINUSMA force; officially confirmed to the Board dated 21 October 2020.

¹¹ MINUSMA evaluation reports (ref. MINUSMA/FHQ/2019, 20200710-2625-FCO and 20200702-2585-FCO). This included bringing equipment not suited to the Mission.

¹² MINUSMA fax message to the Office of Military Affairs at Headquarters (ref. 20200710-2625-FCO).

¹³ MINUSMA fax message to the Office of Military Affairs at Headquarters (ref. 20200421-2353-FCO, 20200418-2344-FCO and 20200828-2799-FCO).

¹⁴ MINUSMA fax message to the Office of Military Affairs at Headquarters (ref. 20200 114-2039-FCO); MINUSMA official communication to the Board dated 21 October 2020.

responsibility of field missions to conduct systematic assessment of operational effectiveness of uniformed components (Action for Peacekeeping) [...] Therefore, MINUSMA deemed it prudent that the Office of Military Affairs strengthen MINUSMA's capacity to evaluate unit performance. MINUSMA requested the Office of Military Affairs to call on troop-contributing countries to ensure that pre-mission training be based on scenarios, assets and equipment relevant to the mission and to the threat encountered".¹⁵

126. MINUSMA also pointed out that, between 2014 and 2019, 600 peacekeepers had been repatriated on medical grounds, 142 of them for pre-existing conditions. That ratio would probably remain the same for 2020. The integrated operational team at United Nations Headquarters was informed that pre-deployment medical clearance would have needed to be enhanced, given that the high number of repatriated personnel was worsening the operability of units by reducing their footprint.¹⁶

127. The Administration stated that, in the financial year 2019/20, MINUSMA had conducted and submitted 28 evaluations for 27 units to the Administration through the Force Commander evaluation summary tool. It also stated that it was not clear what data the Board had used or which information it had received from the Mission. It was also not clear what methodology the Board had used to reach the conclusion of "identified shortfalls" because almost all evaluations had noted areas for improvement. The Administration further stated that many of the caveats reported were due to misunderstandings or misconceptions of what was understood as a caveat. Some information appeared to come from a different source than the Force Commander. The Administration had no visibility on this.

128. The Board reiterates that MINUSMA has officially and explicitly agreed with every statement that the Board made (see above). This includes the number of units evaluated and the issues identified. All evaluation reports and all fax messages on military issues that MINUSMA sent to the Administration were signed and stamped by the Force Commander and/or his Deputy. The relevant communication, as well as all the findings and methodology, had been available to the Administration before it made its comment above. The Administration stated that what MINUSMA perceived as a caveat might instead be just a misunderstanding. The Board holds that this reasoning might reduce the number and extent of the problems on paper, but does not help MINUSMA to deal with the issues and does not help to improve the security situation on the ground.

Helicopter unit at the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo was unable to perform main operational tasks

129. MONUSCO conducted an operational effectiveness inspection of a helicopter unit on 15 January 2020.¹⁷ It was stated in the report addressed to the unit's commander that, during all of 2019 (except January), the unit had an availability rate lower than the minimum required under the current letter of assist, which was 75 per cent. The unit was rated only average because it had not been able to carry out the main operational tasks of medical evacuation and casualty evacuation owing to the unavailability of helicopters. MONUSCO identified further issues, the most notable being the lack of sufficient manpower to protect the compound.¹⁸

¹⁵ MINUSMA official communication to the Board dated 21 October 2020.

¹⁶ MINUSMA ref. 20200731-2714-FCO and official communication to the Board dated 21 October 2020.

¹⁷ The unit was contributed by a different country than the one focused on in paragraphs 135 to 147 of A/74/5 (Vol. II).

¹⁸ MONUSCO ref. SRSR-DMS-2020-01472 of 18 November 2020; see also paragraph 16 of the independent assessment report.

United Nations Interim Security Forces for Abyei used civilian helicopters that could not fully perform mandated tasks

130. Owing to accidents involving two military helicopters, in February and May 2019, UNISFA utilized two civilian helicopters. However, the civilian helicopters could not perform mandated tasks in full, which included taking part in military operations in high-risk hostile areas, the deployment or extraction of troops, and combat operations in general. As a result, some of those tasks were either cancelled or abandoned. The Board considers that the lack of capabilities to support military air operations heavily impeded the implementation of the UNISFA mandate.

131. The Administration stated that it had sent an invitation to a troop-contributing country in which it requested the redeployment of one helicopter unit from UNAMID to UNISFA.

132. The Board holds that missions are dependent on troops and equipment that perform according to and meet United Nations standards. The issues mentioned above show that the Administration has not provided these.

133. The Administration did not implement the recommendation to support missions in ensuring that they have the units and equipment they need.

Unmanned aircraft systems

134. Several United Nations missions are using unmanned aircraft systems as intelligence, surveillance and reconnaissance platforms to gather data with different sensors. A mission's demand for unmanned aircraft systems has risen in the past five years as these become increasingly important.

Unmanned aircraft systems: justification of need

135. The Office of Supply Chain Management emphasized that defining operational requirements was fundamental to determining the need for unmanned aircraft systems. It stated that:

(a) The generation of unmanned aircraft systems capability was a process that began with mandate approval and the proper definition of operational requirements;

(b) The mission would describe the operational requirements in coordination with the unmanned aircraft systems joint cell.

136. The United Nations specified in various regulations how the need for unmanned aircraft systems should be described and determined.¹⁹

137. Among others, the United Nations specified that the description of the operational requirements shall include a benefit analysis and the main justifications for the mission's need of such assets, along with aspects such as area size and distances to be surveyed, tasking lines, infrastructure (e.g., runway), logistics, communications and technology, bandwidth, data storage, power supply, radio and data-link spectrum.²⁰

138. Furthermore, the United Nations specified that all operations of the unmanned aircraft systems would be conducted in direct response to a request for information expressed by the mission.²⁰

139. The Department of Peace Operations noted in a staff handbook that such requests for information shall be fed into the daily intelligence acquisition list. The

¹⁹ For example, "United Nations use of unmanned aircraft systems (UAS) capabilities (guidelines)", ref. 2019.05.

²⁰ Aviation manual, ref. 2018.21.

Department stated that the intelligence acquisition list was the appropriate means for communicating tasking to each acquisition capability (e.g., unmanned aircraft systems) and that it was important “to maintain a management database of the completion of the daily intelligence acquisition list. Accurate record keeping of which information requests are satisfied and which are not is an essential part of both ensuring that the prioritization process is appropriate, and to identify emerging gaps in acquisition capability”.²¹

140. The Board noted that the United Nations did not stipulate in its regulations that the missions shall regularly evaluate all requests for information regarding unmanned aircraft systems ex post facto in order to use that data-based basis for the identification of needs (e.g., number, type (unmanned/manned) and mix of class I/II/III unmanned aircraft systems, as well as their local distribution in the mission). The Board noted that MINUSMA and MONUSCO, in their documents, had developed the quantitative demand for unmanned aircraft systems in general on the basis of a strategic and operational framework, but both Missions did not provide a more detailed data-based foundation (e.g., evaluation of requests for information).

141. The Board noted that the missions had not evaluated existing data ex post facto on a regular basis to provide a supplementary data-based justification for the need for unmanned aircraft systems.

142. The Board considers it important that the operational requirements for unmanned aircraft systems be defined as soundly as possible, given that this is the basis for deciding how many unmanned aircraft systems will be provided to the missions. To this end, the Administration should specify in the regulations on unmanned aircraft systems that the missions using such systems shall evaluate existing data, especially requests for information, ex post facto on a regular basis and document the results. On the basis of the evaluation, the missions can substantiate their operational requirements on the quantitative need for unmanned aircraft systems to decide whether the available unmanned aircraft systems capacity is sufficient or needs to be adjusted (e.g., number, type (unmanned/manned) and mix of class I/II/III unmanned aircraft systems) to implement the mandate and best meet the needs of the mission.

143. The Board holds that the missions shall evaluate existing data ex post facto on a regular basis to provide a supplementary data-based justification of the amount of unmanned aircraft systems. The evaluation results shall support the mission in identifying the need to adjust the quantity of unmanned aircraft systems capacity. The evaluation of requests for information shall, among others, answer questions such as the following:

(a) How many requests for information were submitted and how many of them could not be answered in time owing to insufficient unmanned aircraft systems capacity?

(i) For which requests for information were there no unmanned aircraft systems available at all?

(ii) What operational consequences resulted from this and how did this affect the mandate’s implementation?

(b) Could the mission always meet the minimum requirements for unmanned aircraft systems capacity?

(i) If not, what were the reasons and the operational consequences?

²¹ “Peacekeeping-intelligence, surveillance and reconnaissance staff handbook”, ref. 2020.15.

(ii) A minimum requirement could be, for example: can all requests for information on force protection be answered with the available unmanned aircraft systems capacity in time (e.g., emergency, troops in contact)?

144. The Board recommends that the Administration stipulate that missions shall evaluate all requests for information and intelligence acquisition lists annually ex post facto, to support their statement on unmanned aircraft systems demand.

145. The Administration accepted the recommendation and stated that the unmanned aircraft systems guidelines would be reviewed and updated in 2021. One mission stated that it had initiated changes to the task and feedback mechanism, which resulted in improvements in the system's performance measurement.

Unmanned aircraft systems: contract and letter of assist

146. The Administration met peacekeeping missions' demand for unmanned aircraft systems based on operational requirements by concluding contracts with private companies or by concluding letter of assist agreements with troop-contributing countries. The Department of Operational Support was responsible for concluding contracts with private companies.²²

147. For one mission, the Administration concluded an unmanned aircraft system contract with a private company and changed, as a lesson learned, the payment modality from lump sum to regular payments, with a payment deduction clause in case of low utilization and/or limited availability of the contracted services. The contract included the option that the Administration could claim payment deduction and liquidated damages if the contractor would not comply with the provisions of the contract. According to the contract, the contractor had to provide initial operational capability by 19 January 2019 and full operational capability by 8 February 2019. The contractor failed to provide initial and full operational capability according to the contract. As a result, the mission could not use the unmanned aircraft systems capability from June 2019 to January 2020, which led to significantly less information on armed groups and other threats to civilians and own troops.

148. The Administration negotiated with unmanned aircraft system contractors for two missions on how to interpret the contractual payment provisions, the payment deduction clause and the liquidated damages clause.

149. The Administration stated that contracting unmanned aircraft systems "is highly complex and the service provision by a commercial company requires the integration of multiple inter-related components and relies on a number of United Nations dependencies [...] When service providers fall short of the performance levels agreed in the contract or fail to achieve contractual milestones, disputes tend to arise as to possible extenuating factors that may have contributed to such performance issues [...] and resolution of disputes continuously involves legal experts (Office of Legal Affairs)".²³

150. One mission operated unmanned aircraft systems provided by a troop-contributing country. The Administration reimbursed a fixed rate of \$446,153.00 per month for service availability according to the letter of assist. The utilization rate of one system was 53 per cent in the financial year 2018/19 and 13 per cent in 2019/20, while the utilization rate for the other system was 62 per cent in the financial year 2018/19 and 45 per cent in 2019/20.

²² See "United Nations use of unmanned aircraft systems (UAS) capabilities (guidelines)", ref. 2019.05.

²³ Response to the Board's information request, dated 28 October 2020.

151. The Board acknowledges that the Administration has replaced the lump sum payment in contracts with a performance-related payment. The Board holds that the Administration should continue to include clauses into unmanned aircraft system contracts and letters of assist in which it is stated that payments are made according to key performance indicators such as reliability and tasked sensor time and flight hours.

152. The Board also holds that the Administration has to reliably provide missions with unmanned aircraft systems if there is a well-defined demand, making their use necessary to deliver on the mandate, especially protection of civilians and own troops. Contractors have to rely on specific conditions (e.g., infrastructure) provided by missions to be able to fulfil the contract. Contracts should not include conditions that missions are not able to provide. In case these conditions are not met, the missions might not have any unmanned aircraft systems capability to protect civilians and own troops, and the Administration takes a risk in not being able to claim liquidated damages. The United Nations as claimant would be at fault and forced to settle with the contractor at the expense of Member States. The Administration could even let the contractor sign off on all conditions having been met before it provides the services. Claiming liquidated damages on the basis of solid ground should not lead to any dispute and negotiations with contractors.

153. The Board recommends that the Administration include provisions for payment or reimbursement deduction in unmanned aircraft system contracts and letters of assist as a standard.

154. The Board recommends that the Administration include provisions, such as liquidated damages, in unmanned aircraft system contracts as a standard that impose additional financial liabilities on the contractor for not meeting the contractual obligations.

155. The Board recommends that the Administration waive unmanned aircraft systems-related claims, such as liquidated damages, only after officially recorded considerations and authorization by an Assistant Secretary-General.

156. The Administration accepted the recommendation in paragraph 153. It stated that the proportionate payment deductions were already included in contracts and letters of assist.

157. The Administration did not accept the Board's recommendation to claim liquidated damages. The application of liquidated damages would not always be enforceable but depended on the facts of the specific case and the provisions of the actual contract. Their application under circumstances that were not warranted or appropriate could lead to the initiation of a claim by the contractor, which might result in additional costs, arbitration and legal liability for the United Nations. Liquidated damages provisions were not appropriate for all contracts and depended on the nature of each transaction.

158. It is the Board's view that unmanned aircraft systems increase the security for civilians and own troops in missions significantly. Contractors have to reliably provide them as contracted. Insufficient performance can harm civilians or own troops because, for example, crucial intelligence is provided too late or insufficiently. The Administration has to have all options available to motivate the contractor to fulfil the contract completely and to receive compensation for harm, claiming liquidated damages included. Payment reduction adjusts the payment to what the contractor has performed only; it does not cover the fact that lives might be in danger because the contractor has not fulfilled its obligations completely. In cases such as this, the harm caused by the contractor's failure to fulfil contractual agreements cannot usually be estimated precisely in monetary terms. Therefore, the agreed liquidated damages should represent a reasonable and fair compensation for the harm

incurred. Provisions for liquidated damages have to be part of every unmanned aircraft systems contract. The Administration should waive claiming them only after appropriate consideration and high-level authorization.

159. The Board recommends that the Administration fulfil its own obligations of unmanned aircraft system contracts to be able to claim liquidated damages without being at fault.

160. The Administration accepted the recommendation in part. It stated that its model forms of contracts stipulated that the United Nations had no obligation to provide any assistance to the contractor in providing the goods or performing the services other than as expressly agreed and set forth in the applicable contract and that the United Nations made no representations as to the availability of any facilities or equipment that might be helpful to or useful for the contractor's performance. Thus, the United Nations model contracts stipulated, in general, that the United Nations contractor was responsible for providing all necessary personnel, equipment, material and supplies and for making all arrangements necessary for its performance under the contract and would have to bear all related costs.

161. The Board holds that the Administration's comment does not cover the specific nature of unmanned aircraft system contracts. Missions have to provide infrastructure for the contractor to perform the contract. Unmanned aircraft systems of a specific size require a runway for launching and landing. They require hangars and fuel, among other support provided by the mission. The provision of mission support for the contractor is part of the United Nations contractual obligations. If the United Nations does not fulfil the contract, then it is difficult to claim liquidated damages and avoid claims by the contractor.

7. Mine Action Service operations

Shortcomings in partnership operations between the Mine Action Service and the United Nations Office for Project Services

Background

162. The Mine Action Service was established in 1997 as a specialized service within the Department of Peace Operations. It is mandated by both the General Assembly and the Security Council to serve as the coordinator for mine action in the United Nations system and tasked with ensuring coherence and effective responses to explosive threats. This entails providing expert advice, training and guidance to the United Nations system and to affected States.

163. The majority of Mine Action Service funding stems from the assessed peacekeeping budget. The total Mine Action Service budget for 2019/20 was \$216.0 million, with \$156.1 million, or 72 per cent, coming from assessed peacekeeping funds.²⁴ Within the peacekeeping operations, some three quarters of all requirements for programmatic activities related to mine action activities. ACABQ has repeatedly requested the Secretary-General to provide, among other things, "the comparative advantage of each mission in the delivery of these activities, as well as those of the partners selected to implement them; and the contractual arrangements in place with implementing partners, including clear identification of any related administrative overhead charges" (A/74/737, para. 59).

164. Since its inception, the Mine Action Service has collaborated closely with UNOPS. The collaboration is based on a memorandum of understanding between the Secretariat and UNOPS. The memorandum of understanding presently in force was

²⁴ Based on information provided by the Administration, on interim financial reporting and adjusted for differing financial years.

originally signed in August 2014. Legally, the relationship between the Mine Action Service and UNOPS is regarded as not being a procurement of goods and services from a third party but rather a cost-sharing arrangement between two internal but separately administered bodies of the United Nations.²⁵ A new memorandum of understanding is being negotiated between the Secretariat and UNOPS. The Secretariat estimates that it will be signed in the spring of 2021. In 2019/20, some 94 per cent of the mine action programme budget was implemented by UNOPS. From the total 2019/20 peacekeeping operations mine action budget of \$156.1 million, \$147.0 million was expenditure on UNOPS.

Findings of the Board and the Office of Internal Oversight Services

165. The Board's 2018/19 and 2019/20 peacekeeping audits and a recent OIOS audit²⁶ found the following:

(a) Overall, there was an unresolved question of whether partnering with UNOPS to implement the Mine Action Service mandate achieved the best value for money, and a need to analyse the feasibility and benefits of diversifying the implementing partner arrangements. The Mine Action Service has not evaluated these questions since 2008;

(b) There were significant weaknesses in the monitoring and evaluation mechanisms of the Mine Action Service. Its periodic project/programme reviews were based on reports prepared by UNOPS staff in field locations. The Mine Action Service had only limited mechanisms to verify and validate those reports. In fact, until 2019/20, six UNOPS staff members working in the Programme Planning and Management Section at Mine Action Service headquarters had conducted reviews. In other words, the Mine Action Service assigned reviews of UNOPS reports on project implementation and funds expenditure to UNOPS personnel hired by the Mine Action Service. However, the Mine Action Service informed the Board that the contracts of all UNOPS staff working at Mine Action Service headquarters would be terminated by 31 December 2020;

(c) There were specific provisions for UNOPS management fees for Mine Action Service projects in a footnote in the memorandum of understanding. By the way in which UNOPS charges programme support costs on top of locally managed direct costs (explained below), the management fees added up to 8.15 per cent;

(d) UNOPS management fees included programme support costs for UNOPS headquarters in Copenhagen (5 per cent) and locally managed direct costs (3 per cent). The locally managed direct costs financed the UNOPS Peace and Security Cluster team in New York, which supported exclusively all Mine Action Service projects. UNOPS headquarters had delegated authority to the Peace and Security Cluster team to certify the team's own reports. Headquarters involvement in Mine Action Service projects was therefore limited. UNOPS selected partners to implement mine action services, which added another layer of overhead costs. Thus, four layers created administrative costs: the Mine Action Service headquarters team in New York; programme support costs for UNOPS headquarters; locally managed direct costs for the Peace and Security Cluster team in New York; and the administrations of the various implementing partners;

(e) Between 2016 and 2018, the Mine Action Service disbursed \$744.8 million to UNOPS from all funding sources. Of those funds, UNOPS spent 58 per cent on third-party contracts, 20 per cent on project implementation staff whom it hired and

²⁵ Memo of the Office of Legal Affairs dated 8 January 2020.

²⁶ "Audit of the monitoring and evaluation mechanism in the United Nations Mine Action Service", ref. 2019/152, 31 December 2019.

8 per cent on management fees. Together, those three budget lines represented 86 per cent of Mine Action Service business with UNOPS during that time span. In the financial year 2019/20, the share of expenses for third-party agreements grew to 65 per cent, from 58 per cent in the previous year. In effect, the Mine Action Service outsourced mandate implementation to UNOPS and the latter outsourced two thirds of its work to third parties;

(f) The Mine Action Service did not assess whether it would be cheaper to administer third-party agreements directly and to use the Procurement Division for procurement. For example, in 2018, 5 UNOPS projects (of 55 in total) led to UNOPS management costs of more than \$7 million, equalling the total costs of Mine Action Service headquarters. In another example, 83 per cent (\$0.80 million) of a UNOPS project budget was spent on third-party agreements and the remaining 17 per cent (\$0.17 million) was spent on one UNOPS staff member managing the third-party agreements;

(g) The memorandum of understanding was not clear with respect to the level of review to be applied to UNOPS budget proposals, project monitoring and reporting, and the obligation to provide specific details and documents for budget proposal review and monitoring against agreed budgeted amounts and agreed deliverables.²⁷ Consequently, UNOPS did not provide an open book to Mine Action Service, especially with regard to third-party contracts. The Procurement Division was not able to review the procurement part of the financial agreements with UNOPS because of the lack of supporting documentation received from the latter. UNOPS financial reports lacked supporting documentation to assess actual project progress. There were no details on assets procured, only total costs. There were large discrepancies between the UNOPS asset lists and Mine Action Service asset records;

(h) According to article VIII of the memorandum of understanding, assets that UNOPS acquired with Secretariat funds remained Secretariat property and should be handed over to the Secretariat after projects were completed. However, the Mine Action Service did not appropriately track those assets. UNOPS disposed of Secretariat assets by donating them to, for example, non-governmental organizations;

(i) According to article VII of the memorandum of understanding, UNOPS shall consider existing Secretariat or mission contracts for the provision of goods or services. However, UNOPS regularly procured services such as security personnel or items such as vehicles without utilizing existing contracts or the strategic deployment stocks in GSC. UNOPS also concluded third-party agreements for services such as vehicle maintenance without appropriately assessing the use of existing services in peacekeeping missions. The Mine Action Service stated that this was resolved for the 2020/21 budgets;

(j) In the light of the expiration of the memorandum of understanding with UNOPS, the Department of Peace Operations hired a consultant to perform “an objective, independent and comprehensive review of the unique relationship between UNMAS and UNOPS”.²⁸ The review and related recommendations were supposed to inform possible revisions of the memorandum of understanding. The consultant selected to perform the independent review had served almost 15 years in senior positions within UNOPS. In violation of section 4.3 of [ST/AI/2013/4](#), no other candidates were considered. The independent review of the Mine Action Service-UNOPS relationship did not reveal any sources of information. For example, it is not

²⁷ According to article X of the memorandum of understanding, UNOPS must adhere only to its own financial regulations and rules (para. 1) and the Secretariat shall not initiate routine inspections, audits and/or examination of records more than once every two years (para. 7).

²⁸ Terms of reference for the independent review of Mine Action Service-UNOPS relations for the implementation of Mine Action Service activities.

possible to understand who stated what when the review reads: “The consensus of stakeholders in the field, particularly UN Mission Leadership, is major concern that ‘an attempt to fix it when not broke’ will damage the currently well-functioning UNMAS vital services to the detriment of UN Missions”.

166. The findings detailed above show several significant shortcomings in Mine Action Service-UNOPS partnership operations. They can be categorized as shown below.

Cost-effectiveness unclear

167. Using UNOPS as an implementing partner for almost all mine action activities adds a layer of overhead costs. UNOPS did not, for the most part, implement mine action itself but instead used Mine Action Service funds for third-party agreements. Various existing Secretariat resources were not utilized. The Secretariat, together with missions, need to obtain an independent analysis by a group of experts of whether this approach is cost-effective, transparent, competitive and in the interest of the Organization.

Lack of field-based mine action knowledge

168. The Mine Action Service is mandated to be the central service for mine action activities and to coordinate the mine action work of the United Nations. With Mine Action Service outsourcing almost all mine action work to UNOPS and the latter’s reluctance to share information, the Board holds that it was difficult for the Mine Action Service to fulfil this mandate because it lacked adequate and sustained field-based practical experience and knowledge of the field programmes’ needs and performance.

Lack of independent programme reviews

169. In many cases,²⁹ the Mine Action Service did not conduct programme reviews; rather, the reviews were conducted in part by UNOPS staff working in the Mine Action Service³⁰ or UNOPS did not provide sufficient information for a review.

Lack of transparency and accountability

170. The Mine Action Service did not have sufficient access to information regarding what UNOPS did with mine action funds, especially with respect to third-party agreements and assets. At the same time, having UNOPS as an implementing partner for almost all mine action activities shielded the Mine Action Service from being held accountable. While there is a mutual recognition statement signed by the United Nations and UNOPS, it does not mean that passing the implementation of mine action to UNOPS equals passing accountability. ACABQ has raised concern about the lack of information on programmatic activities multiple times.³¹

Questionable review

171. Owing to the lack of a proper request for an independent review of the Mine Action Service-UNOPS relationship and to the selection of a former long-time UNOPS staff member to undertake the review, the review is of no value to the

²⁹ OIOS found that 17 of 40 quarterly programme reviews required for projects in its sample had not been conducted (“Audit of the monitoring and evaluation mechanism in the United Nations Mine Action Service”, ref. 2019/152, para. 16).

³⁰ The Board was informed that the contracts of all UNOPS staff working at Mine Action Service headquarters would be terminated by 31 December 2020.

³¹ For example, in [A/74/737](#), para. 59.

Secretariat with respect to the negotiation of a new memorandum of understanding with UNOPS. The reviewer lacked objectivity and stated unproven assertions.

Dependency on the United Nations Office for Project Services

172. To a large extent,³² the Mine Action Service is in a position of dependency because UNOPS performs all mine action work exclusively and has all relevant field-based knowledge and capabilities. This may be one of the reasons why UNOPS does not always cooperate with the requests of the Mine Action Service, even though the latter provides the funding. Furthermore, as UNOPS is considered to be a partner and not a vendor, there are no provisions or sanction mechanisms in the memorandum of understanding for malperformance.

173. To address these shortcomings, the Secretariat needs to obtain an independent analysis by a group of experts of whether the current exclusive partnership between the Mine Action Service and UNOPS is cost-effective and delivers on the missions' mandates. Moreover, the Secretariat should strongly consider having the Mine Action Service implement at least a specific share of mine action activities itself, for example, by directly administering third-party agreements through Mine Action Service programme managers in the field, to establish control, field-based knowledge and independence.

174. The new memorandum of understanding with UNOPS should clearly require an open book from UNOPS. It should be standard practice that UNOPS always shares documents such as third-party agreements and asset acquisitions. There needs to be sufficient supporting documentation to hold staff members in charge of mine action funds accountable. Furthermore, the Mine Action Service should require that UNOPS utilize existing Secretariat and peacekeeping mission contracts and structures, such as the Procurement Division and mission support structures, where feasible. For all these aspects, there need to be clear stipulations about the consequences of non-compliance. Moreover, the UNOPS fee structure needs to be revised.

175. The Board recommends that the Administration, together with the missions, obtain an independent analysis by a group of experts of whether the current exclusive partnership of having the Mine Action Service with UNOPS is cost-effective and delivering on the missions' mandates and evaluate the benefits of the Mine Action Service implementing a certain share of mine action activities itself, for example, by directly administering third-party agreements through Mine Action Service programme managers in the field.

176. The Board recommends that the Administration include in the new memorandum of understanding with UNOPS clear stipulations on transparency and the provision of supporting documents, on the utilization of existing United Nations contracts and structures, on the consequences of non-compliance and on the UNOPS fee structure.

177. The Administration accepted the recommendations but did not agree with some of the observations. The Administration stated that programme reviews were always conducted, although not always on-site, that UNOPS contracted staff had always been supervised by Secretariat staff and that there were no UNOPS-contracted staff in the Mine Action Service as at 1 January 2021. The Administration noted that UNOPS had disposed of assets as instructed by the Mine Action Service and that the UNOPS management fee was calculated in accordance with the current memorandum of understanding. The Administration noted that it strongly disagreed with the assertion that the consultant hired for the independent review of the Mine Action Service-

³² As noted above, approximately 94 per cent of the peacekeeping mine action budget is spent on UNOPS.

UNOPS relationship lacked objectivity on account of his status as a former UNOPS staff member. The Administration also noted that, beginning with the financial year 2020/21, all existing mission services had been fully assessed for applicability in mine action. The Administration also stated that it was not accurate to say that Mine Action Service reliance on the memorandum of understanding negotiated and signed by the Controller would shield the Mine Action Service from accountability.

178. The Board holds that it was questionable to have UNOPS staff members conduct reviews of UNOPS work, even if they were formally supervised by Secretariat staff. The fact that this issue was resolved by the Mine Action Service as at 1 January 2021 is stated above. With regard to the disposal of assets, the Board's audit evidence shows that UNOPS did not always dispose of assets as instructed by the Mine Action Service. The Board does not doubt that the UNOPS management fee was calculated in accordance with the current memorandum of understanding; it merely points out the effective percentage. The Board agrees that the expertise of former staff members of United Nations entities is beneficial in certain cases. However, the Board holds that choosing a former long-time senior UNOPS staff member to objectively and independently assess the Mine Action Service-UNOPS partnership was also likely to trigger a conflict of interest and had to be avoided, and that the review was not suited to inform the revision of the memorandum of understanding. With regard to the utilization of existing mission services beginning in the financial year 2020/21, the Board notes that it assessed the financial year 2019/20. Future improvements will be considered when assessing the implementation of the Board's recommendations. The Board notes that the Mine Action Service relies on the memorandum of understanding with UNOPS, which leaves considerable leeway and thus shields the Mine Action Service from accountability, if not in form, at least in practice. Insufficient access to data and information for the Mine Action Service led to the lack of transparency and accountability.

8. Human resources management

Long-term vacancies

179. The United Nations needs highly motivated and well-trained personnel and the timely filling of budgeted posts for each entity.

Short and long-term vacancies could impede the proper fulfilment of duties

180. The General Assembly noted "some recent improvements in the vacancy and turnover rates for civilian staff, while recognizing scope for improvement, and therefore requests the Secretary-General to ensure that vacant posts are filled expeditiously" (resolution [66/264](#), para. 21). ACABQ stated that it "recalls the General Assembly's request, reflected consistently in its resolutions on peacekeeping budgets, that the Secretary-General ensure that vacant posts be filled expeditiously" ([A/71/836](#), para. 108). In addition, ACABQ had noted that "sufficient justification for retention of long-vacant posts appears neither in the Secretary-General's overview report nor in the respective peacekeeping budget" ([A/69/839](#), para. 67). The Committee stressed again "that the continuing requirement for posts that have been vacant for two years or longer should be reviewed and the posts either proposed for retention or abolishment in subsequent budget proposals" (*ibid.*).

181. To fulfil delegated authorities appropriately and in a timely manner, entities are appropriated an amount of posts of different levels through the approved budget for peacekeeping operations. The efficient management of these authorities depends on how the entities achieve their objectives by ensuring that the field missions and Headquarters sections have sufficient staff. The entities have the task of both properly conducting mission-specific workforce planning and developing a recruitment plan

to ensure that critical positions, in particular, are filled in a timely manner, avoiding preventable delays.

182. According to the delegation of authority framework (ST/SGB/2019/2), the responsibility for recruiting staff and relating thereto to fill vacant posts up to the D-1 level was delegated to peacekeeping missions.

183. On 30 June 2020, MINUSCA had an authorized civilian personnel strength of 1,559 posts. The total number of vacant posts was 140 for both international and national staff, representing a vacancy rate in international staff of nearly 13 per cent and more than 5.5 per cent in national staff. The vacancy rate of staff at the professional and above levels was more than 18.5 per cent. In addition, the overall vacancy rate of civilian personnel in MINUSCA was nearly 9 per cent of the total amount of authorized posts. On average, those posts had been vacant for more than one year. Fourteen posts had been unoccupied for more than two years, with the longest vacancy being four years.

184. At UNSOS, the authorized strength of international and national staff approved by the General Assembly was 583 posts. Having an effective staffing level of 495 personnel, 88 posts were vacant as at 30 June 2020. A maximum vacancy rate of 8 per cent was stipulated in the proposed budget. By contrast, the actual rate was more than 15 per cent, 7 per cent higher than stipulated in the mission's budget. Of those unoccupied posts, 28 were vacant for more than one year and 4 for more than two years.

185. As at 30 June 2020, UNAMID had an authorized staff strength of 1,408 civilian personnel. Thereof, 104 budgeted posts pertained to professional and Director level posts (D-1, P-5, P-4). The Operation had identified 73 vacant posts. Thereof, 16 P-4 to D-1 posts were vacant, with a resulting vacancy rate of nearly 17 per cent. Thereof, five posts were vacant for more than 12 and up to 19 months. For example, the post of Security Coordination Officer (P-4) had been vacant since 1 March 2019. Furthermore, these included positions such as Transport Officer, Senior Joint Operations Officer, Chief of the Procurement Section and Senior Political Affairs Officer.

186. The Board noted that UNAMID had neither taken any action to fill the vacancies nor started the recruitment process in a timely manner, without offering any justification for the delays. In addition, the Operation had not used temporary job openings for short-term needs as an ongoing recruitment process to provisionally reduce vacancies at the senior management level until a candidate for a fixed-term post was identified and appointed. UNAMID, especially in the light of its impending closure, needs to ensure that core function posts are staffed adequately until the critical drawdown period ends.

187. The Board also noted a similar vacancy status, implying long-term vacant posts, in UNDOF (11 posts vacant from 5 to 36 months) and UNISFA (18 vacant posts, 1 for more than 2 years).

188. The Board holds that vacant posts need to be filled without any undue delay. In particular, long-term vacancies or vacancies of critical posts with core functions have a negative impact on the achievement of the mandate where posts are considered needed, especially at the professional and above levels. Staff members in senior management with core functions are essential to coordinating and managing actions of key relevance. Their posts may not stay vacant for a long period because they are critical for delivering on the mandate.

189. The Board recommends that missions establish internal controls to ensure that vacant core function posts are occupied without delay and avoid filling these posts with temporary appointments and assignments, except to bridge recruitment periods.

190. The Board advises that any post vacant for two years or longer needs to be reviewed under workforce planning aspects to determine whether there remains a need for the individual post. On that basis, peacekeeping missions have to determine whether to either propose the post for abolishment or to maintain it, with detailed justification.

191. The Board recommends that the Administration review posts that have been vacant or filled temporarily for two years or more and propose either their abolishment or their retention, including a clear and detailed justification in the next budget proposal.

192. The Administration did not accept those recommendations.

193. The Administration stated that the budget proposal process already included a review of posts vacant or filled temporarily for two years or more to be considered for retention, abolishment or other post action. If posts were to be retained, information has to be provided on the status of recruitment and clear justification for the need for retention. The Administration also stated that it had promulgated a revised workforce planning guide in June 2020. Further guidance documents were developed, as well as support from the Secretariat to enabling entities to conduct their own staffing reviews and to allow entities to lead an entity-wide approach to workforce planning, recruitment and succession planning on an ongoing and consistent basis.

194. As shown in paragraphs 183 to 187 above, the Board has found several cases with posts vacant for two or more years. Therefore, the Administration's statement does not precisely address the Board's observations. Posts might stay vacant for two or more years only if there are valuable reasons. The Board considers that the preparation of guidance and any future assistance to the entities asking for Headquarters support does not address the Board's recommendation to the establish internal controls and a proper procedure regarding short- and long-term vacancies. The improvement in staffing and recruitment is precisely not limited to guide the entities but to reduce the identified vacancies.

Extensions of temporary appointments

195. According to administrative instruction [ST/AI/2010/4/Rev.1](#), temporary appointments may be granted to fill specific short-term requirements that are expected to last less than one year. In exceptional cases,³³ they can be extended up to a maximum of 729 days. Under no circumstances shall the period exceed 729 days (*ibid.*, sect. 14.2). In case of an exceptional extension beyond 364 days, the programme manager needs to send a recommendation with written justification to the local human resources office (*ibid.*, sect. 14.3).

(i) Extensions beyond 364 days lack sufficient documentation and justification

196. In the financial year 2019/20, MONUSCO had 55 staff members on temporary appointments. The Board requested the necessary recommendations for five cases with exceptional extensions beyond 364 days. The Mission provided a spreadsheet with general information on the appointments only. It did not provide any justification for the circumstances that allowed for exceptionally extending temporary appointments beyond 364 days. Upon further request, the Mission provided another document that

³³ [ST/AI/2010/4/Rev.1](#), section 14.1: (a) where a temporary emergency or a surge requirement related to field operations unexpectedly continues for more than one year; (b) where a special project in the field or at a headquarters duty station unexpectedly continues for more than one year; (c) where operational needs related to field operations, including special political missions, unexpectedly continue for more than the initial period of 364 days.

was not the same as the signed document on file. In four of the five cases, the Board reviewed in detail the files, which did not include any justification for the extension. The Mission had stated only that “the staff member performed well”.

197. In the financial year 2019/20, UNMISS granted 49 temporary appointments to the Mission’s staff members, of which 27 were exceptionally extended beyond 364 days. In one case, the Mission extended the appointment owing to operational requirements in the staff member’s section. However, the Chief of the Human Resources Section had not signed the extension request. In another case, the Mission’s memorandum read as follows: “I would be grateful if the appointment could be continued for a further 12 months as [...] continues to fulfil a valuable role and is deserving of continuance”.

198. In the financial year 2019/20, MINUSMA granted 76 temporary appointments, of which 38 were exceptionally extended beyond 364 days. In none of the sampled cases were the extension memorandums provided. Instead, the Mission sent other documents that, despite being related to the subject, did not justify the exceptional exceptions.

199. In the financial year 2019/20, UNISFA granted four exceptionally extended temporary appointments with insufficient documentation. Thereof, one had been approved through an email exchange, with insufficient justification provided.

200. A review of temporary appointments at MINUSCA,³⁴ UNSOS³⁵ and UNMIK³⁶ produced similar findings.

201. The Board holds that mission programme managers have not considered whether the conditions essential for the specific need for extension, as laid down in the administrative instruction, are given. It appears to the Board that human resources staff at the missions are unaware of the circumstances under which the mission is allowed to grant exceptional extensions. The Board holds that a written justification consistent with the provisions of [ST/AI/2010/4/Rev.1](#) for the extension of temporary appointments beyond 364 days needs to be documented appropriately.

202. The Board recommends that the Administration ensure that the circumstances according to the administrative instruction be given, documented and signed by staff with the appropriate delegated authority before exceptionally extending temporary appointments beyond 364 days.

203. The Administration accepted the recommendation.

204. MINUSMA stated that it had provided documentation for all the identified cases, although insufficient justification had been provided in strict adherence to the relevant administrative instruction.

205. The Board has repeatedly requested MINUSMA to provide extension memorandums, including justification for the exceptional extensions of temporary appointments in the Mission. The Board considers it important that the missions comply with the provisions of [ST/AI/2017/4/Rev.1](#).

(ii) Extensions beyond 729 days under no circumstances

206. The Board found in MONUSCO one temporary appointment exceeding 729 days and three each in UNMISS and MINUSMA. UNMISS extended one temporary

³⁴ One temporarily appointed staff member on a voluntary contribution post, which was extended five times beyond 364 days.

³⁵ Twelve temporary appointments beyond 364 days.

³⁶ Six temporary appointments beyond 364 days. The Board could not gain access to the requested supporting documents.

appointment (ID 283417) several times up to 850 days owing to specific tasks performed by the staff member and to allow the human resources office to recruit from the roster.

207. A review of extensions beyond 729 days at MINUSCA³⁷ and UNSOS³⁸ produced similar findings.

208. The Board holds that MINUSMA, MONUSCO and UNMISS have not complied with the provisions of the administrative instruction. For certain reasons, a temporary appointment may not exceed 729 days. Any extension beyond that results in a two-year appointment, which must be granted in the form of a fixed-term appointment, at least. Staff members on fixed-term appointments have other benefits (e.g., separation provisions), compared with staff on a temporary appointment. By extending temporary appointments beyond 729 days, the staff member is excluded from these benefits. It is stipulated in chapter IV of annex IV to Secretary-General's bulletin [ST/SGB/2019/2](#) that the heads of entity may grant an exceptional extension of temporary appointments beyond 364 days up to the limit of 729 days established by the General Assembly (see resolution [63/250](#)). Therefore, the Board underscores that full compliance with the policy is indispensable.

209. The Board recommends that the Administration ensure that temporary appointments do not exceed 729 days.

210. The Administration accepted the recommendation.

9. Supply chain management

Discretionary powers regarding cost recovery

211. In 2009, the General Assembly requested the Secretary-General to explore all possible options for reducing the cost of air travel (resolution [63/268](#), sect. II, para. 3). In 2015, the Assembly requested the Secretary-General to hold managers accountable for the judicious use of travel resources, in particular by encouraging the use of alternative methods of communication and representation and by giving primary consideration to authorizing official travel only where direct face-to-face contact is necessary for mandate implementation (resolution [69/274](#), sect. IV, paras. 3 and 8).

212. In 2017, the Board recommended that the Administration analyse non-United Nations passenger requirements authorized under Security Council mandates. Non-eligible non-United Nations passengers must not be taken into account when calculating overall air transport capacity need ([A/72/5 \(Vol. II\)](#), para. 144).

213. In 2017, the Secretary-General set the target date for implementation of the Board's recommendation to the fourth quarter of 2018; in 2018, he set the target date for implementation to the third quarter of 2019; and in 2019, he set the target date for implementation to the third quarter of 2020 ([A/72/756](#), para. 50; [A/73/750](#), para. 171; [A/74/709](#), para. 138). In 2020, the Administration stated it would implement the recommendation in March 2021.³⁹

214. In 2017, the Secretary-General launched an initiative to enhance the efficiency and cost-effectiveness of United Nations aviation. The aim of the initiative was to reduce direct annual spending on aviation, with a view to limiting in-mission passenger flights to those essential for critical mandated tasks.⁴⁰

³⁷ One temporarily appointed staff member on a voluntary contribution post, which was extended six times beyond 729 days.

³⁸ One temporary appointment exceeded 729 days.

³⁹ Status update comments of the Administration received in October 2020.

⁴⁰ Initiative of the Secretary-General to enhance the efficiency and cost-effectiveness of United Nations aviation, 20 April 2017; see also [A/73/776](#), para. 72.

215. MINUSMA has several regulations regarding air transportation of non-MINUSMA entities or persons.⁴¹ Cost calculation and cost recovery ranged from \$422.57 to \$1,126.18 per seat, depending on the destinations and routes.

216. Passengers on MINUSMA air transport assets are prioritized as follows:

- (a) Priority 1: Casualty evacuation, VIP;
- (b) Priority 2: Medical evacuation, MINUSMA personnel, United Nations Secretariat staff and mission contractors;
- (c) Priority 3: International MINUSMA staff on leave travel;
- (d) Priority 4: Other staff of United Nations agencies, funds and programmes;
- (e) Priority 5: Non-United Nations personnel.

217. MINUSMA transported 23,299 non-United Nations passengers and 42,611 United Nations passengers in the fiscal year 2019/20 with the following priorities:⁴²

- (a) Priority 1: 1,996 non-United Nations passengers and 1,155 United Nations passengers;
- (b) Priorities 2 and 3: 40,818 MINUSMA passengers;
- (c) Priority 4: 638 passengers from other United Nations agencies, funds and programmes;
- (d) Priority 5: 21,303 Non-United Nations personnel.

218. Non-United Nations passengers comprised a share of 35 per cent of total air passengers. Their background varied to a great degree and included host country government and parliament agencies, private enterprises, signatories of the Agreement on Peace and Reconciliation in Mali and the civilian sector, including sport teams and individual private passengers. Sixty-three per cent of priority 1 passengers were non-United Nations, and there was insufficient scrutiny to determine whether they were VIPs.

219. In total, MINUSMA recovered \$249,000 from non-MINUSMA passengers, which was only a fraction of all passengers. Even if based on the lowest cost-recovery rate of \$422.57 as set out in memorandum MINUSMA/ODMS/2015/07, MINUSMA would have been able to recover \$9.8 million.⁴³

220. MINUSMA did not provide any analysis regarding which beneficiaries might be financially capable of returning the costs to the Mission. It stated that the financial capability of the clients was not considered when deciding to recover costs. The main factor was whether their air travel supported the mandate of the Mission.⁴⁴

221. The Administration drafted a policy on the transportation of non-United Nations peace operations passengers on United Nations peace operations-provided aviation

⁴¹ Memorandum MINUSMA/ODMS/2015/07; MINUSMA Aviation Section standard operating procedure dated 8 October 2018; cost-recovery calculation methodology for air transport dated 18 March 2020.

⁴² The Board needed to establish the passenger numbers through a laborious analysis of the data provided. Entries for the different organizations varied, and the same organization was sometimes labelled differently. It is, for example, unclear what the difference between “Civilian Society” and “Civil Society” is and what both refer to.

⁴³ The 2018 standard operating procedure provides no information on the calculation of cost recovery. There is no reason to believe that the actual costs of transporting a passenger in the financial year 2019/20 should be much different than they were in 2015, as set out in memorandum MINUSMA/ODMS/2015/07. The cost-recovery calculation methodology for air transport of 18 March 2020 came into force only after eight and a half months of the financial year 2019/20 had passed and shortly before pandemic-related air travel restrictions were applied.

⁴⁴ MINUSMA statement to the Board dated 5 December 2020.

assets. It is stipulated in it that, “where transportation services are provided to non-United Nations peace operations passengers on a space available basis and the purpose of their travel are neither necessary for nor related to the performance of official duties or mandate implementation of the peace operation, every effort should be made to recover those costs”.⁴⁵ It is also stipulated that “the Head of the Peace Operation or his/her designated representative has the authority to approve the transportation of non-United Nations peace operations passengers where it has been determined that the travel will be in support of the implementation of the peace operation mandate. Where this determination has been made, cost recovery mechanisms do not apply [...] No cost recovery shall be made from Non-United Nations Individuals whose travel is considered part of, or necessary for the mandate implementation of the peace operation”.⁴⁶

222. The Board holds that MINUSMA had no objective criteria to define when cost waivers were essential to the Mission’s mandate implementation and when they were not. The Board doubts whether granting free air travel, for example to sports clubs, is indeed essential to mandate implementation. However, current MINUSMA practice and the draft policy give the Head of Mission complete liberty to define which non-United Nations peace operations passengers’ travel is essential for mandate implementation. Theoretically, any travel can be interpreted as being essential for mandate implementation, even if it only generates goodwill. The Board also holds that the draft policy does not consider the reality of non-United Nations peacekeeping operations air travel and needs to be based on an overall assessment of the share of non-United Nations peacekeeping operations passengers. The Board further holds that the current practice and the draft policy are an uneconomical waiver of cost recovery and circumvent the will of the General Assembly to explore all possible options for reducing the cost of air travel and to make judicious use of air travel resources, as expressed in section II of its resolution [63/268](#) and section IV of its resolution [69/274](#) and its endorsement of the Board’s recommendation contained in paragraph 144 of [A/72/5 \(Vol. II\)](#) (see resolution [72/8 B](#)). As long as MINUSMA can freely declare the majority of non-United Nations peacekeeping operations passenger flights to be essential for mandate implementation, regardless of whether the cases are plausible, it can freely waive cost recovery. This increases the total cost of air travel. It is also not a judicious use of air travel resources. Given that approximately one in three passengers aboard MINUSMA flights is non-United Nations personnel, the Board also sees a potential to reduce aircraft capacity and allocate funds to other parts of the Mission, such as troop and police contingents. The failure to implement the will of the Assembly incurred financial damage of more than \$9 million in the financial year 2019/20. This amount increases daily with each waiver of cost recovery.

223. The Board recommends that the Administration assess the share of non-United Nations peacekeeping operations passengers on mission flights and the amount of costs that missions have not recovered; assess the budgetary impact on United Nations peacekeeping operations aircraft and fuel needs; and revise the draft policy on the transportation of non-United Nations peace operations passengers on United Nations peace operations-provided aviation assets to impose clear definitions as to when non-United Nations peacekeeping operations passenger travel is essential to implementing a mission’s mandate.

224. The Administration accepted the recommendation.

225. The Administration stated that, with regard to budgetary aspects of aircraft requirements, mission aircraft fleets were planned on the basis of their requirements to carry uniformed and non-uniformed United Nations personnel. Non-United

⁴⁵ Ref. DOS/2020.8, para. 13.

⁴⁶ Ibid., paras. 7 and 9.

Nations peacekeeping operations passengers were not taken into account in such planning. The Administration also stated that the minimum possible cost recovery of \$9.8 million represented the dollar value of the total number of non-United Nations peacekeeping operations passengers transported during the financial year 2019/20 and did not take into consideration the MINUSMA mandate. The Administration also stated that it took decisions on the nature of the travel and recovered costs from all non-MINUSMA air passengers, with exceptions for support to the Government of Mali, to MINUSMA implementing partners, parties to the peace process, donors to trust funds and support to contractors for contracts in which its responsibility to provide transport was stipulated.

226. The Board stresses that MINUSMA transported more than 20,000 non-United Nations peacekeeping operations air passengers in the financial year 2019/20. If those passengers had not been taken into account, total passenger numbers would have dropped by approximately one third. It is not plausible that this should have had no effect on aircraft requirements and fuel consumption. The Board stresses that the problem is precisely that MINUSMA is at liberty to waive any cost recovery if it classifies the relevant air travel as essential to mandate implementation, even if this is neither understandable nor probable. This circumvents the will of the General Assembly, as expressed in section IV of its resolution 69/274 and its endorsement of the Board's recommendation contained in paragraph 144 of A/72/5 (Vol. II) (see resolution 72/8 B). The Administration's comment that MINUSMA recovered costs from all non-Mission air passengers, with the exceptions mentioned above, contradicts the fact that MINUSMA has officially confirmed the Board's findings on 29 November 2020, which show a wide variety of passengers to be exempt from cost recovery.

Contingent-owned equipment

227. The Department of Operational Support, together with the Department of Peace Operations, the Department of Political and Peacebuilding Affairs and the Department of Safety and Security, rolled out a policy on weapons and ammunition management.⁴⁷ This policy provides a framework to ensure the effectiveness, efficiency and coherence of United Nations weapons, weapons-related equipment and ammunition management. This policy applies to United Nations staff and to troop- and police-contributing countries.

Implementing mission-specific standard operating procedure on weapons and ammunition management

228. It is stipulated in paragraphs 28 and 34 of the policy that missions with weapons and ammunition shall develop specific and tailored standard operating procedures on weapons and ammunition management. The policy outlines minimum requirements that shall be included in the standard operating procedure.

229. The Board noted that MINUSMA, MONUSCO, UNAMID, UNIFIL, UNISFA, UNFICYP, UNMISS and UNSOS had not implemented such a mission-specific standard operating procedure on weapons and ammunition.

Establishing a weapons and ammunition advisory board

230. It is stated in paragraph 36 of the policy that missions shall establish an advisory board on weapons and ammunition.

231. In accordance with paragraph 1.2.1 of the United Nations Manual on Ammunition Management, the advisory board should ensure that critical ammunition

⁴⁷ Policy on weapons and ammunition management, ref. 2019.03.

safety matters are addressed. It should be consulted for advice when no guidance is given in the corresponding guidelines. It should meet at least once per month.

232. The Board noted that MINUSMA, MONUSCO, UNAMID, UNDOF, UNIFIL and UNSOS had not yet established an advisory board on weapons and ammunition.

233. The Board also noted that UNFICYP had established an advisory board on weapons and ammunition, but held the meetings only twice during the audit period, on 10 December 2019 and 16 April 2020, which is less than the minimum required in the indicated manual (2 of a minimum of 12 expected meetings).

234. The Board further noted that UNISFA had established an advisory board on weapons and ammunition on 30 January 2020 but had not yet convened a meeting.

235. The Board holds that an advisory board on weapons and ammunition plays a crucial role in the end-to-end process for managing weapons and ammunition. All missions should establish such a board to ensure guidance on the management of weapons and ammunition within the relevant frameworks.

236. The Board recommends that MINUSMA, MONUSCO, UNAMID, UNIFIL, UNISFA, UNFICYP, UNMISS and UNSOS establish and implement a standard operating procedure as prescribed under the weapons and ammunition policy.

237. The Board recommends that MINUSMA, MONUSCO, UNAMID, UNDOF, UNIFIL and UNSOS establish a weapons and ammunition advisory board.

238. The missions accepted the recommendations and began to establish and implement the relevant standard operating procedure and establish an advisory board on weapons and ammunition.

Ammunition storage

239. The Department of Peace Operations, in coordination with the Department of Operational Support, rolled out a Manual on Ammunition Management, effective January 2020. The manual provided comprehensive control measures in the overall storage, safety and logistical aspects regarding the integration of the technical principles of ammunition management.

240. It is stipulated in the Manual on Policies and Procedures concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions that troop/police contributors are responsible for the establishment and maintenance of ammunition storage containers. To qualify for reimbursement, such containers must comply with minimum specifications. According to the Manual, temperature and humidity control (air conditioner) was mandatory. It is also stipulated in the Manual that ammunition that has exceeded half its shelf life as stated by the manufacturer shall not be accepted for deployment.⁴⁸ Troop/police contributors are responsible for providing a manufacturer's certificate in which the production year is indicated and for certifying that all ammunition deployed in support of national contingents is safe to deploy.

241. The Board noted that there were 34 military and 6 formed police units in UNMISS, holding approximately 782 tons of ammunition. Of those, 14 per cent (110 tons) was unserviceable and an additional 4 per cent (34 tons) was expected to exceed its shelf life and become unserviceable by the end of 2020.

⁴⁸ A/75/121, chap. 3, annex A, para. 31, and "United Nations Manual on Ammunition Management", sect. 3.5.2.

242. The estimated requirement of UNMISS for ammunition storage containers exceeded 200 containers. The actual quantity of containers negotiated in the memorandums of understanding and deployed on the ground was 50.

243. The Board noted that the ammunition was stored in standard 20-foot containers without temperature and humidity control instead of ammunition storage containers. In the climate conditions of South Sudan, the temperature in the containers rose well above 30°Celsius, leading to a reduced shelf life.

244. The Board also noted that the ammunition storage areas at UNMISS did not meet the standards for safe distances.

245. With respect to the ammunition storage inspection reports of MINUSMA and MONUSCO, aside from the high amounts of unserviceable ammunition, the most common defects in ammunition storage indicated with “fair” or “poor” were the following:

- (a) Fire precautions;
- (b) Maintenance of magazines;
- (c) Maintenance of ammunition;
- (d) Magazine management;
- (e) Safety precautions to the surroundings.

246. The rough estimate is that more than 75 per cent⁴⁹ of the ammunition in UNMISS is not properly stored. This ultimately reduces the shelf life and increases the amount of unserviceable ammunition.

247. Ammunition rendered unserviceable by storage conditions poses a serious risk to the combat readiness of units and causes increased costs for disposal and replenishment.

248. The Board recommended that UNMISS clear for deployment only such ammunition that is as new as possible and with a residual shelf life in excess of 50 per cent of the manufacturer’s recommended shelf life.

249. The Board also recommended that UNMISS determine the requirement for ammunition storage containers, request them and make appropriate arrangements for proper storage.

250. UNMISS confirmed the Boards’ findings and concurred with the recommendations. The Mission stated that, with regard to the first recommendation, it was already working towards implementation and that, concerning the second recommendation, it had analysed its requirements for ammunition storage containers and had already planned to implement a quick and cost-effective solution that would meet the standards, in line with the United Nations Manual on Ammunition Management.

251. With respect to the weaknesses shown in the ammunition inspections reports of MINUSMA and MONUSCO, the Board holds that, in particular, the infantry battalions should be fully combat ready regarding the serviceability of their ammunition.

252. The Board recommends that the Administration reiterate to troop- and police-contributing countries that contingents store ammunition and explosives

⁴⁹ The estimated requirement of UNMISS for ammunition storage containers exceeded 200 containers. The actual quantity of containers negotiated in the memorandums of understanding and deployed on the ground was 50.

in missions according to the rules of the Manual on Police and Procedures concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions and only in a quantity as needed to avoid reimbursable unserviceable ammunition and explosives.

253. The Administration accepted the recommendation and stated that it had been notified of the General Assembly decisions reflected in the Manual on Police and Procedures concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions. Troop- and police-contributing countries had also been advised of the ammunition and storage requirements in a note verbale, supported by verbale guidance provided in meetings. The Administration will reiterate the rules and procedures contained in the Manual to the troop- and police-contributing countries, including issues such as ammunition quantity.

Processing the reimbursement of disposed unserviceable ammunition

254. Ammunition and explosives are handled as consumables (*ibid.*, chap. 2, annex A, para. 2).

255. The troop- and police-contributing countries are responsible for deploying ammunition with an expected shelf life in excess of the anticipated length of deployment (*ibid.*, chap. 3, annex A, para. 31).

256. The Board found that the United Nations had reimbursed the troop- and police-contributing countries for ammunition that became unserviceable while in the mission area. For example, UNMISS tasked the Mine Action Service with disposing of unserviceable ammunition. In the financial year 2019/20, UNMISS had disposed of 40.7 tons of unserviceable ammunition. A total of 145 disposal certificates and 10 operational ammunition expenditure certificates were available as proof of disposal.

257. The Board noted delays in reimbursements. Even transactions from 2015 remained pending. During the financial year 2019/20, only one reimbursement claim for ammunition (disposed of in March 2019) was processed, in the amount of \$364,911.30. That amount was not budgeted. There were seven more claims from the same troop-contributing country for disposals conducted during the period 2015–2018, pending processing.

258. The Board also noted differing unit costs for claimed reimbursements. In one case, a troop-contributing country had reported costs for the same type of ammunition differing by 300 per cent (unit cost of \$0.68 vs. \$1.89). In another instance, UNMISS noted that the troop-contributing country had supported the claim with a national document signed by the financial controller of the Ministry of Defence identifying the costs for a certain financial year (2018/19), while the ammunition had been deployed much earlier (i.e., the costs did not reflect the manufacturing costs of the specific lot).

259. If the troop- and police-contributing countries deviate from the requirement to deploy ammunition with an expected life in excess of the anticipated length of deployment, they should have to prove that the specifications for this ammunition cannot be met. For ammunition that could not be provided by troop- and police-contributing countries, the Administration should not reimburse troop- and police-contributing countries for the disposal and replacement of the ammunition, or only at an adjusted/reduced rate depending on the actual provision of ammunition. To this end, the United Nations should monitor and document the necessary data and evidence of the ammunition's service life and the cost rates at the arrival inspection.

260. Furthermore, it is not comprehensible that transactions even going back to 2015 remain pending, which represents a considerable financial risk to UNMISS. The Board considers that, after issuing an operational ammunition expenditure certificate, the troop- and police-contributing countries should be given an adequate time window to present the claims, after which this entitlement claim would expire. It would allow for proper budget planning; otherwise, UNMISS might be challenged with situations when claims are presented five, six or seven years after the disposal. The Mission's documentation system does not cover the possibility that the same claim was presented more than once.

261. The Board holds that the lack of information for pending reimbursement expenses and undefined cost rates for ammunition and explosives does not support prudent budget planning.

262. The Board also considers this to be a significant weakness in relation to the growing quantity of disposed ammunition and that the increase in reimbursement costs should be corrected.

263. UNMISS needs to know the reimbursement amount. It is unclear whether the Department of Operational Support has a cost accounting document with the average cost or whether it is based on the costs reported by the troop- or police-contributing country. If it is based on the latter, invoices for the purchase should be provided, at least. UNMISS is trying to collect the costs as reported by the troop- or police-contributing countries in the cargo load lists that they were able to extract. These data are of poor quality.

264. The Board has recommended that UNMISS ensure that, during the arrival inspection, the data on the service life of the ammunition and possible remarks of the troop- and police-contributing countries be documented.

265. UNMISS confirmed the Board's findings, concurred with the recommendation and stated that it had begun implementation.

266. The Board recommends that the Administration include in all memorandums of understanding that troop- and police-contributing countries provide a price list of any ammunition and explosive that they will use/deploy, and that it shall calculate reimbursement for ammunition and explosives solely according to this price list.

267. The Administration accepted the recommendation and stated that it wished to clarify that the implementation of the recommendation would go beyond the existing framework of the model memorandum of understanding, rates of reimbursement and standards of reimbursement framework, as contained in the Manual on Police and Procedures concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions. It is stated in paragraph 30 of annex A of chapter 3 of the Manual that "Operational ammunition will be reimbursed upon presentation of a claim by the Government and an operational ammunition expenditure certificate from the mission". Any change to the existing framework will require the approval of the General Assembly through the Working Group on Contingent-Owned Equipment, which will convene in 2023. Accordingly, the Administration will submit an issue paper for review by and approval of the Working Group. Once the proposal is approved, the Department of Operational Support will begin to implement the recommendation.

268. The Board recommends that the Administration create a database with all the cost rates of any ammunition and explosives coming from this price list to compare the prices.

269. The Administration accepted the recommendation and stated that it would create a database with the rates of reimbursement made in previous cases of ammunition and explosives claims. On the basis of the data collected, the Administration would submit an issue paper to the 2023 gathering of the Working Group on Contingent-Owned Equipment for its consideration following which the database price would be used as a benchmark for future claims.

270. The Board recommends that the Administration define the maximum amount of reimbursement that it pays for ammunition and explosives based on this database.

271. The Administration accepted the recommendation and stated that the implementation of the recommendation would require changes to the current framework of reimbursement. Those changes would require agreement in the Working Group on Contingent-Owned Equipment and approval by the General Assembly. The Administration would submit an issue paper for consideration at the 2023 meeting of the Working Group. Once a decision has been made in the Working Group and endorsed by the General Assembly, the Administration would begin to implement the recommendation.

Fuel management

272. The Board analysed fuel data recorded in the electronic fuel management system and the CarLog system for the period from 1 July 2019 to 30 June 2020. The Board found significant irregularities in fuel consumption at various missions. At UNSOS, for example, the Board noted approximately 4,700 records indicating overconsumption in fuel with a total suspected loss of 197,200 litres in January alone. The findings can be summarized as follows:

(a) *Fuel consumption exceeding tank capacity*: At MINUSCA, the Board found 42 vehicles that had been provided with more fuel than the recorded tank capacity (33,823 litres of diesel in the financial year 2019/20). The same issue was observed at MINURSO;

(b) *Fuel consumption exceeding energy produced*: At MINURSO, the Board noted a generator that consumed 6,200 litres of diesel but generated only 47 kWh. Usually, 6,200 litres of diesel can produce approximately 18,600 kWh. The same issue was observed at MINUSCA;

(c) *Fuel consumption exceeding standard fuel consumption unit*: At MINUSCA, the Board found 2,277 transactions relating to 1,452 vehicles that revealed higher fuel consumption rates than the standard fuel consumption unit. Considering a 10 per cent tolerance over the standard fuel consumption unit, the Board noted a total overconsumption amount of 1,112,395 litres of diesel in the financial year 2019/20. For 23 generators, the analysis revealed a total overconsumption of 76,179 litres of diesel. The same issue was observed at MINURSO;

(d) *Refuelling with no odometer records*: At UNISFA, the Board found 1,899 records that indicated refuels with an odometer reading of zero, involving 17 different generators that consumed 3,758,284 litres of fuel. Six of the generators were refuelled more than 100 times each during the financial year, accounting for 42.6 per cent of the total fuel consumed by generators at the mission. At MINUSCA, the Board found 12 vehicles that had been refuelled with 13,865 litres of diesel with an odometer reading of zero. The same issue was observed at MINURSO.

273. The missions explained that data irregularities were due to a lack of training for users of the electronic fuel management system and a lack of dedicated staff members to carry out timely reviews of system data. The missions also explained that most of

the zero-reading data captured were of multiple connected generators. In such cases, odometer readings of all generators were not recorded. However, odometers would be installed for all multi-genset locations and thereafter the consumption would be monitored.

274. The Board is concerned that insufficient resources deployed to review and analyse the electronic fuel management system data and missing reviews themselves might defeat the system's purpose to provide strong control over fuel issuance and fuel overconsumption and increase the risk of fuel fraud in the missions.

275. The Board recommends that the Administration provide training to staff members responsible to ensure the proper recording of fuel data, and regularly monitor and analyse fuel consumption to identify and investigate irregular fuel consumption.

276. The Administration accepted the recommendation.

Environmental strategy

277. Missions developed multi-year strategies on energy infrastructure and waste management. These strategies are based on the standard operating procedures in "Development of energy infrastructure management plans for United Nations field missions" (ref. 2020.06) and "Development of waste management plans for United Nations field missions" (ref. 2018.30). Both standard operating procedures provide a basis upon which to consider a range of peace operations challenges and are a key operational tool for the implementation of the environmental strategy.

278. Fourteen missions drafted their own energy infrastructure management plans. The emphasis in phase one of the environmental strategy has been on supporting missions in analysing their overall power generation and consumption and on developing comprehensive plans to improve performance. The implementation of, for example, renewable projects in isolation that have not been subjected to an effective cost benefit analysis or coherence with an overall approach should be avoided.

279. A challenge in implementing the energy infrastructure management plan is contingent-owned equipment coverage in the context of the plan. The immediate focus must be on generator right-sizing, which will, in turn, have an impact on the emissions. Another option at the strategic level is to strengthen the guidelines entitled "Field verification and control of contingent-owned equipment and management of memorandum of understanding" (ref. 2018.06). This would ensure that field missions take into consideration the site energy plans and generator right-sizing, in coordination with environmental and engineering experts, when providing recommendations for contingent-owned equipment generator requirements both for new memorandums of understanding or amendments to existing ones.

280. Most of the missions did not have access to grids that were powered in part or in full by renewable energy. Missions with access increased their connections by an estimated 3 per cent by 2018/19. Although several missions have initiated on-site renewable energy projects in recent years, the amount remains small in relation to the overall energy needs of missions. The use of generators therefore remains a reliable source of energy for a stable power supply.

281. The missions' energy infrastructure management plans need to better reflect the higher proportion of contingent-owned equipment power generation and, from a planning perspective, to align power generation decisions in the various troop- and police-contributing countries' memorandums of understanding with the mission's management plans.

282. The Board holds that mechanisms such as site energy assessments should be leveraged in accordance with the environment policy and the “Development of energy infrastructure management plans for United Nations field missions” standard operating procedure.

283. The strategic approach to increasing the use of renewables by peace operations requires additional focus on the pursuit and development of energy outsourcing projects (e.g., off-grid renewable energy power purchase agreements with international and local service providers who would finance, install, operate and maintain renewable energy systems in proximity to the mission sites and sell the energy to the mission) and utility contracts with renewable installed national grid capacity, where available. At a strategic level, this will require: (a) including necessary wording in the Manual on Police and Procedures concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions on site energy plans, if approved by the Contingent-Owned Equipment Working Group and the General Assembly; and (b) providing guidance to missions on developing site energy plans.

284. The Board recommends that the Administration develop a strategy to increase the energy efficiency of power generators in missions and reduce emissions.

285. The Administration concurred with the findings and the recommendation and stated that the Department of Operational Support would develop a generator dashboard to assess the missions and troop- and police-contributing countries with the biggest opportunities and map out steps to effectively use the information in decision-making. In addition, GSC would provide technical assistance to mission engineering sections, upon request, to recommend appropriate sizing for new deployments for inclusion of the specific requirements in the statement of unit requirements, and develop site energy plans to inform resizing needs for existing deployments.

Lessons learned from arbitral proceeding

286. In a consolidated arbitral proceeding, claims from a vendor against three missions were resolved. The arbitrator dismissed the claims against MINUSMA and UNSOS in 2019 but awarded the vendor an amount of \$11.80 million for its claim against UNAMID. The arbitrator also awarded the vendor an amount of \$0.55 million for legal and other costs in relation to the UNAMID case. The claim against UNAMID covered two disputes in relation to one contract: (a) the performance credit dispute (referring to services provided from 2009 to 2013); and (b) the warehouse services dispute (referring to services provided in 2013).

287. UNAMID informed the Board that the arbitration process had been handled by United Nations Headquarters. The contract management activities leading up to the arbitration case were the responsibility of the Operation. With regard to the UNAMID contract, the arbitrator noted the following:

(a) The contractual scheme involved various contractual provisions and annexes, with a degree of overlap that led to inconsistencies;

(b) The contract language had weaknesses;

(c) The complex context of the contract did not allow for meaningful performance assessments for years after the contracts had been concluded.

288. With regard to the performance credits dispute, the arbitrator noted the following:

(a) UNAMID had determined a reduction in price and imposed it on the vendor unilaterally;

(b) UNAMID had not conducted the assessment of the vendor's performance contemporaneously, as envisaged;

(c) While it was the responsibility of UNAMID to convene meetings on performance with the vendor and review acceptable performance levels and performance credits, together with the vendor, on a monthly basis, those meetings and reviews were not held on a monthly basis;

(d) Meeting minutes revealed that "performance indicators" had been addressed in the first few months of performance but were not documented in subsequent meetings;

(e) The reliance of UNAMID on the unavailability of data to review the vendor's performance contemporaneously did not convince the arbitrator;

(f) UNAMID had performed vendor assessments years after the events to be assessed;

(g) UNAMID had called the vendor's performance "poor" or "very poor" but extended the contract terms several times.

289. With respect to the warehouse services dispute, the arbitrator noted the following:

(a) UNAMID had failed to issue a formal, written request;

(b) The reliance of UNAMID on the absence of a formal request on its behalf was incompatible with its obligation to act in good faith in the performance of the contract;

(c) The approach of UNAMID in ignoring comments by the vendor was, in the view of the arbitrator, not constructive.

290. The Board holds that the Administration should review the arbitration case to assess any lessons learned. Such a review should ensure that processes and controls are in place to avoid recurring issues and determine documentation matters. For example, the review should ensure that:

(a) Contracts are formulated consistently and explicitly;

(b) Reviews are performed as agreed in the contract;

(c) Communications with vendors are performed when needed;

(d) Written requests are sent out to ensure a proper legal basis for any disputes.

291. The Board recommends that the Administration perform a review of the arbitral proceeding of Permanent Court of Arbitration case 2016-40 to identify lessons learned and to ensure that proper processes and controls are in place to avoid a recurrence of similar issues.

292. The Administration accepted the recommendation.

United Nations occupational safety and health system

293. With regard to the COVID-19 pandemic, a functioning occupational safety and health system is of high importance. There are two essential units at United Nations Headquarters managing the system.

294. The role of the Occupational Safety and Health Unit, which is located at the United Nations Logistics Base at Brindisi, Italy, is to provide to the majority of Secretariat occupational safety and health operational/technical support.

295. The Health-Care Management and Occupational Safety and Health Division provides on-site occupational health services in New York and delivers services to more than 100 locations worldwide. The Division focuses on improving access to and the provision of occupational health services to staff in all locations.

296. It is stated in Secretary-General's bulletin [ST/SGB/2018/5](#) that a United Nations occupational safety and health management system needed to be established.

297. The Board noted that there was neither an occupational safety and health business concept nor an occupational safety and health policy in place to establish such a fully functional United Nations occupational safety and health system.

298. A business concept with minimum required resources for the occupational safety and health programme (following the management reform) has been submitted twice: in 2017 to the then Under-Secretary-General for Peacekeeping Operations and the then Under-Secretary-General for Field Support, and in 2019 to the Under-Secretary-General for Operational Support. However, no progress in this regard has been seen to date.

299. In addition, the Health-Care Management and Occupational Safety and Health Division developed a draft Department of Operational Support and Secretariat occupational safety and health policy. This policy has neither been signed nor implemented.

300. The Department of Operational Support, the Department of Peace Operations and the Department of Political and Peacebuilding Affairs stated that the policy needed to cover the entire Secretariat and therefore required review by all affected parties, followed by sign-off at a level and through a mechanism that allowed it.

301. The Board noted that the Health-Care Management and Occupational Safety and Health Division and the Occupational Safety and Health Unit had the data, statistics and facts taken from the monthly data statistical analysis, risk register, Earthmed portal and other sources to include in impact and needs analyses (reports). These clearly indicated the current (negative) impact (e.g., injuries and fatalities) of occupational safety and health – which was greater than those resulting from security incidents – and the urgent need for capacity to address occupational safety and health and reduce risk to and impact on the United Nations, especially in field operations and during the COVID-19 pandemic.

302. The Health-Care Management and Occupational Safety and Health Division and the Occupational Safety and Health Unit stated that they had the know-how, expertise, lessons learned, facts and ability available to do so, but that there remained a lack of capacity/resources needed to establish a United Nations occupational safety and health system.

303. There is a significant impact of occupational safety and health on peacekeeping. More than 50 per cent, or 78 fatalities annually (human loss), and \$13 million (estimated financial loss, excluding medical care) annually in peacekeeping could be avoided through improved health prevention measures and an improved occupational safety and health risk management system. Direct health-care costs in peacekeeping (for dealing with occupational injuries and illnesses) were estimated at \$85 million annually; overall (including indirect) costs were estimated at \$250 million annually for the Organization. On the basis of the data available from peacekeeping missions, it was estimated that 3,000 to 4,000 work-related accidents/injuries and up to 130,000 work-related diseases occurred annually in peacekeeping, with major consequences

for the well-being and efficiency of the workforce. Up to 87 per cent of all illnesses and injuries in peacekeeping operations were work-related and could be reduced through preventive measures.⁵⁰

304. With regard to the COVID-19 pandemic, an occupational safety and health policy, programme, capacity and system might help with: (a) early detection; (b) early warning; (c) early response/action; and (d) a high or higher level of preparedness for occupational safety and health hazards, risks and events.

305. The Board holds that there is an urgent need to continue to build occupational safety and health capacity to meet the operational and technical support requirements of the Department of Operational Support, the Department of Peace Operations and the Department of Political and Peacebuilding Affairs for field missions to reduce the existing occupational safety and health risk.

306. The Board also holds that there should be adjustments and some structural changes to regulate the working relationship between the Health-Care Management and Occupational Safety and Health Division and the Occupational Safety and Health Unit.

307. The Board further holds that the business concept with minimum required resources for the occupational safety and health programme (following the management reform), which was presented to the Department of Operational Support, should be implemented.

308. Given the fact that occupational safety and health is, by its nature, a cross-cutting discipline, it is necessary for the Department of Operational Support, the Department of Peace Operations and Department of Political and Peacebuilding Affairs, in particular, together with the Department of Management Strategy, Policy and Compliance to make all efforts to negotiate with all relevant stakeholders, to implement a United Nations occupational safety and health management system that also includes COVID-19-related measures.

309. The Board recommends that the Administration establish a United Nations occupational safety and health management system that also includes COVID-19 measures.

310. The Administration stated that, in principle, it agreed with the recommendation but that it should, however, be noted that full implementation of the recommendation was subject to the availability of resources by Member States.

10. Drawdown of the African Union-United Nations Hybrid Operation in Darfur

Uneconomical disposal of excessive inventory holdings

311. The Board analysed all items in UNAMID warehouses. For evaluation purposes, Umoja indicates specific materials such as supplies and equipment or spare parts as newly entered into stock or as returned to stock after having been issued. The Board noted that 89.64 per cent of all items in disposal (storage type “DSP”) were new items that had not been issued.

312. The Board noted large amounts of various items in stock. For example, UNAMID stored 2.7 million plain file folders. The Operation also stored 915,080 envelopes. UNAMID transferred 318,000 of these envelopes, valued at \$85,860, to the storage bin “SCRAP”. Items in this bin are designated to be disposed of. In total, some 3.3 million items were in the “SCRAP” bin. On the basis of the moving average

⁵⁰ See Department of Peacekeeping Operations/Department of Field Support, Office of the Chief of Staff and Field Procurement Section, “Impact and cost of occupational safety and health in UN peacekeeping operations” (March 2018).

price, they had an acquisition value of approximately \$305 million. Through competitive scrapping contracts, UNAMID sold scrap by price per kilogram. Total revenue for scrap sold as of October 2020 was approximately \$2 million.

313. The Board considers it challenging that so many items were disposed of without having been issued. This raises the question of whether they were needed in the first place. Acquisition planning should ensure that no redundant or unnecessary items are acquired, especially when a mission is drawing down. The Board holds that excessive stock bears the risk of significant financial loss. UNAMID itself considered its stock holdings excessive and identified commercial sales as challenging owing to government and time restrictions. Given these challenges in disposing of assets economically when a mission faces its drawdown phase, the Board also holds that a mission should strive to keep its inventory to minimal requirements throughout its life cycle.

314. The Board recommends that UNAMID assess the reasons for the build-up of excessive property, plant and equipment and inventories and for the challenges that UNAMID faced in disposing of assets economically, and report on both issues at the end-of-mission report to prevent their recurrence in other missions.

315. The Administration accepted the recommendation.

Handover of a communication tower against legal restrictions

316. One of the Board's samples relating to the physical verification exercise in UNAMID was a communication tower. The Operation did not provide evidence for that sample item. Instead, it informed the Board that the tower was located in the El Geneina sector headquarters, which was handed over to the Government of the Sudan. With respect to the communication tower, UNAMID informed the Board that the asset had been temporarily handed over to the Government. UNAMID provided a letter from the Operation to the West Darfur state authorities dated 12 May 2019. It was stated in paragraph 2 of the letter that UNAMID "cannot expressly approve gifting and transfer of ownership of the communications tower to the Government of Sudan as represented by the West Darfur State due to end user certificate restrictions". In addition, it was stated in paragraph 3 that "it is understood that by permitting UNAMID to leave the communications tower in situ under temporary custody of the Government of Sudan as represented by the West Darfur State, the Government of Sudan West Darfur State will exercise due care of, assume and mitigate all risks associated with the tower installation, until such a time a final decision on the asset is reached by the United Nations".

317. The Board holds that any issues relating to restrictions should be solved prior to handovers to third parties. This is crucial to ensuring that donations or sales of assets to third parties are appropriate and legally compliant. With regard to the communication tower, a handover should not have been performed. The fact that the Government of the Sudan was left with and still has economic ownership of the asset could be viewed as a violation of the end user certificate restrictions.

318. The Board recommends that UNAMID consider all legal restrictions prior to the handover of assets to third parties and clarify whether any current arrangements violate legal restrictions.

319. The Administration accepted the recommendation.

Previous recommendations

320. The Board issued three recommendations to the Administration with regard to issues typically arising from the closure of field locations. These pertained to ensuring that:

(a) Heads of field units stay at their posts and remain responsible for the closure of their units (A/74/5 (Vol. II), para. 389);

(b) Documents on the closure of field units be certified in written form and include all decisions to sell, transfer, gift or donate assets; record the signatures and offices of the recipients of these assets and detail the monetary impact; and conclude a document on lessons learned for further closure of locations (ibid., para. 390);

(c) Disposals are compliant with regulation 5.14 of the Financial Regulations and Rules of the United Nations and are authorized (ibid., para. 395).

321. The Administration has begun to implement these recommendations. The Board requests that the Administration follow them during the UNAMID drawdown.

C. Disclosures by management

1. Write-off of cash, receivables and property

322. The Administration reported to the Board that property amounting to \$77.3 million (\$18.8 million in 2018/19) had been written off during 2019/20. Of those write-offs, \$18.7 million related to equipment and \$58.6 million related to real estate assets. The main reasons for equipment write-offs were normal wear and tear and other (\$11.1 million) and malfunctions (\$3.7 million). The main reason for real estate write-offs were donations to governments concerning UNAMID (\$58.1 million). The Administration also reported that losses amounting to \$0.7 million (\$0.2 million in 2018/19) had been written off in respect of cash and receivables because they were considered irrecoverable.

2. Ex gratia payments

323. The Administration reported to the Board that no ex gratia payments had been made.

3. Cases of fraud and presumptive fraud

324. In accordance with the International Standards on Auditing (ISA 240), the Board plans its audits of the financial statements so that it has a reasonable assurance of identifying material misstatements, including those resulting from fraud. Its audit should not, however, be relied upon to identify all misstatements or irregularities. The primary responsibility for preventing and detecting fraud rests with management.

325. During the audit, the Board makes enquiries of management regarding its oversight responsibility for assessing the risks of material fraud and the processes in place for identifying and responding to the risks of fraud, including any specific risks that management has identified or that have been brought to its attention. The Board also enquires whether management has any knowledge of any actual, suspected or alleged fraud. The additional terms of reference governing external audit include cases of fraud and presumptive fraud in the list of matters that should be referred to in its report.

326. During the period under review, the Office of the Controller reported 23 cases of fraud to the Board, involving an amount of \$0.08 million, as well as 100 cases of presumptive fraud, involving an amount of \$2.86 million. Since the financial year

2018/19, the cases of fraud and presumptive fraud have been shown separately. The previous years' figures are shown in table II.3. Comparing those figures is challenging, given that they depend on fraud detection and the amount involved is often reported as unknown. In accordance with the Financial Regulations and Rules, the Board is obliged to include a list of cases of fraud and presumptive fraud in its report, as provided by the Administration.

Table II.3

Cases of fraud and presumptive fraud reported in peacekeeping operations

<i>Period ended</i>	<i>Fraud</i>		<i>Presumptive fraud</i>	
	<i>Number of cases</i>	<i>Amount (millions of United States dollars)</i>	<i>Number of cases</i>	<i>Amount (millions of United States dollars)</i>
30 June 2020	23	0.08	100	2.86
30 June 2019	26	0.08	102	12.74
30 June 2018	8	0.21	107	16.05
30 June 2017	11	0.02	28	9.38
30 June 2016	Not reported separately; in total, 27 cases involving \$4.54 million			

Source: Information provided by management.

D. Acknowledgement

327. The Board wishes to express its appreciation for the cooperation and assistance extended to its staff by the Secretary-General, the Under-Secretaries-General for Management Strategy, Policy and Compliance, Peace Operations, Operational Support and Internal Oversight Services and the Controller and members of their staffs, as well as the staff at the missions.

(Signed) **Jorge Bermúdez**
Comptroller General of the Republic of Chile
Chair of the Board of Auditors

(Signed) **Kay Scheller**
President of the German Federal Court of Auditors
(Lead Auditor)

(Signed) **Hou Kai**
Auditor General of China

26 January 2021

Annex I

Missions audited

Active peacekeeping operations

1. United Nations Mission for Justice Support in Haiti (MINUJUSTH)/United Nations Stabilization Mission in Haiti (MINUSTAH)¹
2. United Nations Mission for the Referendum in Western Sahara (MINURSO)
3. United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA)
4. United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA)
5. United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)
6. African Union-United Nations Hybrid Operation in Darfur (UNAMID)
7. United Nations Disengagement Observer Force (UNDOF)
8. United Nations Peacekeeping Force in Cyprus (UNFICYP)
9. United Nations Interim Force in Lebanon (UNIFIL)
10. United Nations Interim Security Force for Abyei (UNISFA)
11. United Nations Interim Administration Mission in Kosovo (UNMIK)
12. United Nations Mission in South Sudan (UNMISS)
13. United Nations Support Office in Somalia (UNSOS)

Special-purpose accounts

1. Peacekeeping Reserve Fund
2. United Nations Logistics Base at Brindisi, Italy (UNLB)
3. Regional Service Centre in Entebbe, Uganda (RSCE)
4. Support account for peacekeeping operations
5. Employee benefits funds
6. Peacekeeping cost recovery fund

Closed peacekeeping operations

1. United Nations Operation in Burundi (ONUB), closed on 31 December 2006
2. United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL), closed on 31 December 2005
3. United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISSET), closed on 20 May 2005
4. United Nations Iraq-Kuwait Observation Mission (UNIKOM), closed on 6 October 2003

¹ MINUSTAH transformed into MINUJUSTH on 16 October 2017.

5. United Nations Mission in Bosnia and Herzegovina (UNMIBH), closed on 30 June 2003
6. United Nations Mission of Observers in Tajikistan (UNMOT), closed on 15 May 2000
7. United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH), closed on 15 March 2000
8. United Nations Mission in the Central African Republic (MINURCA), closed on 15 February 2000
9. United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM), closed on 26 February 1999
10. United Nations Preventive Deployment Force (UNPREDEP), closed on 28 February 1999
11. United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and United Nations Civilian Police Support Group (UNPSG), closed on 15 October and 30 November 1998
12. United Nations Observer Mission in Liberia (UNOMIL), closed on 30 September 1997
13. United Nations Peace Forces (UNPF), closed on 30 June 1997
14. Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA), closed on 31 May 1997
15. United Nations Mission in Haiti (UNMIH), closed on 30 June 1996
16. United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR), closed on 19 April 1996
17. United Nations Observer Mission in El Salvador (ONUSAL), closed on 31 May 1995
18. United Nations Operation in Mozambique (ONUMOZ), closed on 31 March 1995
19. United Nations Operation in Somalia (UNOSOM), closed on 3 March 1995
20. United Nations Military Liaison Team in Cambodia (UNMLT), closed on 15 November 1994
21. United Nations Transitional Authority in Cambodia (UNTAC), closed on 5 May 1994
22. United Nations Transition Assistance Group (UNTAG), closed on 21 March 1990
23. United Nations Iran-Iraq Military Observer Group (UNIIMOG), closed on 31 March 1991
24. Special Account for the United Nations Emergency Force (UNEF), closed on 30 June 1967
25. Ad Hoc Account for the United Nations Operation in the Congo (ONUC), closed on 30 June 1964
26. United Nations Mission in Ethiopia and Eritrea (UNMEE), closed on 31 July 2008
27. United Nations Observer Mission in Georgia (UNOMIG), closed on 5 June 2009
28. United Nations Mission in the Central African Republic and Chad (MINURCAT), closed on 31 December 2010

29. United Nations Mission in the Sudan (UNMIS), closed on 9 July 2011
30. United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS), closed on 19 August 2012
31. United Nations Integrated Mission in Timor-Leste (UNMIT), closed on 31 December 2012
32. United Nations Operation in Côte d'Ivoire (UNOCI), closed on 30 June 2017
33. United Nations Mission in Liberia (UNMIL), closed on 30 March 2018

Annex II

Status of implementation of the outstanding recommendations of the Board of Auditors as at 30 June 2020

A summary of the status of implementation of the recommendations made by the Board of Auditors during the previous seven reporting periods is set out below.

Status of implementation of recommendations as at 30 June 2020

<i>Year</i>	<i>Total</i>	<i>Fully implemented</i>	<i>Under implementation</i>	<i>Not implemented</i>	<i>Overtaken by events</i>
2012/13	49	48	–	–	1
2013/14	63	58	–	–	5
2014/15	31	26	–	–	5
2015/16	55	47	2	–	6
2016/17	75	56	11	1	7
2017/18	52	22	17	2	11
2018/19	43	16	22	4	1
Total	368	273	52	7	36

Source: Reports of the Board of Auditors on United Nations peacekeeping operations.

Note: Figures represent the status of implementation of recommendations at the time of finalization of the present report.

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
Procurement and contract management									
1.	2013	A/68/5 (Vol. II) , chap. II, para. 44	The Procurement Division accepted the Board's recommendation that it enhance the collection of contractor performance reports, and make better use of the information, to facilitate decision-making in contract awards or extensions.	The Office of Supply Chain Management stated that the contract performance reporting tool currently monitors 1,913 contracts. The use of the tool is not mandatory, hence not all contracts are captured/monitored in the contract performance reporting tool. With the launch of the instant feedback system, all contracts that are used in a quarter should then have a report completed. The Administration requests that the Board consider closing this recommendation, as it has been overtaken by events, namely, the issuance of a new recommendation (A/73/5 (Vol. II) , chap. II, para. 360), for which the implementation is ongoing.	The Board acknowledges the Administration's effort to implement the contract performance reporting tool and the instant feedback system. As the final implementation will be verified with the new recommendation (A/73/5 (Vol. II) , chap. II, para. 360), this recommendation is considered to have been overtaken by events.				X
Subtotal, 1 recommendation (percentage)						0 (0)	0 (0)	0 (0)	1 (100)
Implementation of the global field support strategy									
1.	2015	A/70/5 (Vol. II) , chap. II, para. 282	The Board recommends that: (c) the activities relating to the succession management plan be completed in a time-bound manner, especially the compiling of a skills inventory and the reprofiling and certification of posts.	The Administration has issued guidance to the missions on the reprofiling and certification of posts for key supply chain functions and is about to build a pool of roster candidates. This has not been completed for remaining functions, including property management and business intelligence. With the recent restructuring of the departments, the Office of Human Resources will, as part of the Secretary-General's reform, be developing an inventory of skills and a strategic approach to workforce planning.	The Administration issued broad guidance to the missions. Now, it is up to the missions to improve the certification of mission posts and mission-specific workforce planning. The Board considers this recommendation implemented.	X			
Subtotal, 1 recommendation (percentage)						1 (100)	0 (0)	0 (0)	0 (0)

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
Financial reporting									
1.	2016	A/71/5 (Vol. II), chap. II, para. 27	The Board recommends that the Department of Management and the Department of Field Support work towards the phasing-out of the standard cost methodology and towards the recognition of the actual associated costs of acquired items of property, plant and equipment that qualify for recognition as assets.	As at 1 July 2019, a new structure of discrete standard cost rates for each mission was implemented. The refined methodology assures a substantial enhancement in the capitalization value of property, plant and equipment. The actual cost methodology, which is ideal, remains impractical owing to too heavy an investment in reconfiguring the enterprise resource planning system and staff vis-à-vis the marginal improvement in the financial reporting of property, plant and equipment.	The Administration worked towards the phasing-out of the standard cost methodology and towards the recognition of the actual associated costs by determining the cost rates for each mission. This recommendation is considered implemented. Nevertheless, the Board holds that the Administration should strive to recognize the actual costs of each asset.	X			
2.	2016	A/71/5 (Vol. II), chap. II, para. 40	The Board reiterates its recommendation that the Administration review the useful lives of fully depreciated assets that are still in use.	The Task Force on Accounting Standards completed the collection of useful life data from all United Nations system entities and analysed the data collected. Proposals were submitted to the members of the Task Force for consideration. The outcome of the exercise was due to be finalized by the end of 2020.	This recommendation remains under implementation.		X		
3.	2016	A/71/5 (Vol. II), chap. II, para. 48	The Board recommends that the Department of Management and the Department of Field Support settle receivables from United Nations related party entities within 12 months.	The Office of Programme Planning, Finance and Budget and RSCE stated that the settlement of receivables for missions is the responsibility of the individual missions. Whereas the Office of Programme Planning, Finance and Budget issues yearly instructions, RSCE processes payments when it receives the supporting documents from the missions.	The Board notes that Headquarters did not take ownership of this recommendation. Starting with the report of the Board for 2019/20, the Board will circulate its report to all heads of mission. This recommendation remains under implementation.		X		
Air operations									
4.	2016	A/71/5 (Vol. II), chap. II, para. 145	The Board recommends that the Department of Field Support define clear roles and responsibilities for United Nations use and coordination of air assets.	The Administration stated that the consultant's report is currently being finalized for submission to the General Assembly at its resumed seventy-fifth session (May 2021) for its guidance.	The Administration provided the consultant's report, entitled "RPO/GPSS, TMICC, & SAOC: Future roles in the UN Supply Chain". The Board considers this recommendation implemented.	X			

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification				
						Implemented	Under implementation	Not implemented	Overtaken by events	
5.	2016	A/71/5 (Vol. II), chap. II, para. 146	The Board also recommends that the Department of Field Support realign the strategic air operations objectives so that the Strategic Air Operations Centre and the Transportation and Movements Integrated Control Centre are able to revise their standard operating procedures, key performance indicators, workplans and job descriptions.	See management response to the item immediately above.	The Administration provided the consultant's report, entitled "RPO/GPSS, TMICC, & SAOC: Future roles in the UN Supply Chain". The Board considers this recommendations implemented.	X				
Acquisition planning and procurement management										
6.	2016	A/71/5 (Vol. II), chap. II, para. 217	The Board recommends that procurement officers and requisitioners track and monitor procurement procedures covering the relevant steps, and that they share this information.	The Department of Operational Support and the Procurement Division stated that the e-tendering project began on time in the first quarter of 2020. The initial testing of the system proved that data from the source selection plan, inclusive of projected and actual timelines, are captured by the system. The pilot projects began in early September 2020. The technical and financial evaluations were completed as at 7 November. As the pilots are complete, the Administration is working on a deployment project plan and a support plan, which are being prepared for final approval. The project team expected to receive approval to begin deployment before the end of 2020.	In addition to the Administration's response, the Board acknowledges that Headquarters developed further dashboards and that the e-tendering system will offer further potential. This recommendation is considered implemented.	X				
7.	2016	A/71/5 (Vol. II), chap. II, para. 248	The Board recommends that the role of the Regional Procurement Office be further defined in order to integrate it into the existing procurement structure (mission procurement sections and the Procurement	The Administration has received the commissioned study and is currently assessing the recommendations. It is envisaged that a detailed proposal with future roles and responsibilities of the Strategic Air Operations Centre, the Transportation and Movements Integrated Control Centre and the Global Procurement	This recommendation is considered implemented.	X				

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification				
						Implemented	Under implementation	Not implemented	Overtaken by events	
			Division) to allow for full usage of the Office, in accordance with General Assembly resolution 70/286.	Support Section, including related resources, will be presented in the proposed budget for 2021/22 for consideration and guidance by the General Assembly.						
Human resources										
8.	2016	A/71/5 (Vol. II), chap. II, para. 294	The Board recommends that the Administration ensure that the complete personnel files of international staff are registered in one location or within one system, managed by Headquarters, and explore the possibility of establishing a registry with digitized staff personnel files.	The former Personnel Records Unit of the Office of Human Resources, which moved to the Department of Operational Support as at 1 January 2019, is in the process of launching a records management system in Unite Docs which will serve as an electronic version of the physical official status files. A draft administrative instruction consolidating the instructions on the annual inspection of official status files with other instructions and circulars on personnel records and official status files is under preparation and had been tentatively scheduled to be sent out for the required written consultation with management and staff representatives Secretariat-wide in December 2019/January 2020. The target date for implementation is the first quarter of 2021.	The Administration reviewed the official status files policy and issued a completely overhauled policy, including a storage strategy. In addition, it made progress in digitizing physical official status files. The Board considers this recommendation implemented.	X				
Subtotal, 8 recommendations (percentage)						6 (75)	2 (25)	0 (0)	0 (0)	
Financial reporting										
1.	2017	A/72/5 (Vol. II), chap. II, para. 33	The Board reiterates its recommendation that the Administration phase out the standard cost methodology and recognize the actual associated costs of acquired items of property, plant and equipment that qualify for recognition as assets.	As at 1 July 2019, a new structure of discrete standard cost rates for each mission was implemented. The refined methodology assures a substantial enhancement in the capitalization value of property, plant and equipment. The actual cost methodology, which is ideal, remains impractical owing to too heavy an investment in reconfiguring the enterprise resource planning system and staff vis-à-vis the marginal improvement in the financial reporting of property, plant and equipment.	The Administration worked towards the phasing-out of the standard cost methodology and towards the recognition of the actual associated costs by determining the cost rates for each mission. This recommendation is considered implemented. Nevertheless, the Board holds that the Administration should strive to recognize the actual costs of each asset.	X				

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification		
						Implemented	Under implementation	Not implemented
Welfare and recreation committees								
2.	2017	A/72/5 (Vol. II) , chap. II, para. 88	The Board recommends that the Administration revise its policy and standard operating procedure on welfare and recreation committees and issue clear guidance in the areas of workplans, compliance reports, cash management and monitoring of revenues.	A revised standard operating procedure was drafted and is under review.	See paragraph 26 (a) of chapter II above. This recommendation remains under implementation.		X	
Air operations								
3.	2017	A/72/5 (Vol. II) , chap. II, para. 99	The Board recommends that the Administration establish a central budget for all strategic air operations and consider including all regional air operations and air troop movements in it.	The Administration stated that the General Assembly, in its resolution 73/268 B of 3 July 2019, requested that the Secretary-General not implement this recommendation.	In its resolution 73/268 B , the General Assembly did not endorse the recommendation in paragraph 266 of the Board's report for the period ended 30 June 2018 (A/73/5 (Vol. II) , chap. II), which is similar to the recommendation in paragraph 99 of the Board's report for the period ended 30 June 2017 (A/72/5 (Vol. II) , chap. II). The Board considers both recommendations to have been overtaken by events.			X
4.	2017	A/72/5 (Vol. II) , chap. II, para. 113	The Board recommends that the Department of Peacekeeping Operations and the Department of Political Affairs be put in charge of determining and keeping updated missions' current aircraft demands within budget limitations, and request missions to draft an air operations concept in close cooperation with the Department of Field Support. This air operations concept	The details of the concept of employment for the aviation assets are spelled out in the relevant military strategic concept of operations based on the relevant mandate and mission concept. The aviation Statements of Unit Requirements are prepared for every type of aviation unit in accordance with the valid mission concept of operations. It is important to highlight that not only related documents such as policies, guidelines, standard operating procedures and manuals are employed during the process of drafting Statements of	The Administration did not provide the recommended missions' air operations concepts. The already existing documents cannot substitute for a consolidated mission air operations concept. Such a concept would ensure that the fragmented information would be available in one document.		X	

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification		
						Implemented	Under implementation	Not implemented
			should include commercial and military aircraft as well as unmanned aerial systems. It should be based on the mission concept and the mission support concept as well as the military and the police concepts of operations. The Statements of Unit Requirements derived from the mentioned air operations concepts should be realistic and in accordance with the capabilities of aviation military units of that size. The Department of Field Support should be involved in the Statement of Unit Requirements process.	Unit Requirements, but that strategic reviews, technical reviews or assessments and military capability studies are also used. In line with this, the Military Planning Service in the Office of Military Affairs, in coordination with the Air Transport Service of the Department of Operational Support, has conducted aviation reviews and is revisiting aviation unit Statements of Unit Requirements to assess air military assets, in order to be realistic in accordance with the capabilities of aviation military units and to increase the efficiency of the aviation requirements. In accordance with the planning policy, there are only three concepts of operations: military, police and support. Consequently, an aviation concept is not included in the policy, and it would be very challenging to develop a single air operations concept, since the objectives and nature of military and commercial operations are different. Moreover, the military aviation assets do not constitute a specific military component, but serve as multipliers within the military operations concept, and the remaining capability is used in support of mission requirements. Nevertheless, the Administration will establish a working group, which will include the representatives of the departments involved, to discuss the status and further implementation of the recommendation.	This recommendation remains under implementation.			
5.	2017	A/72/5 (Vol. II) , chap. II, para. 119	The Board recommends that the Administration consider delegating coordination and tasking authority for all peacekeeping and special political missions' strategic air operations to the Strategic Air Operations Centre.	The Administration would like to reiterate that this recommendation is similar to the recommendation in paragraph 273 of the Board's report for the period ended 30 June 2018 (A/73/5 (Vol. II) , chap. II), which was rejected by the General Assembly in its resolution 73/268 B .	In its resolution 73/268 B , the General Assembly did not endorse the recommendation in paragraph 273 of the Board's report for the period ended 30 June 2018 (A/73/5 (Vol. II) , chap. II), which is similar to the			X

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
					recommendation in paragraph 119 of the Board's report for the period ended 30 June 2017 (A/72/5 (Vol. II), chap. II). The Board considers both recommendations to have been overtaken by events.				
6.	2017	A/72/5 (Vol. II), chap. II, para. 121	The Board further recommends that the Administration consider subordinating the air operations component of the Transportation and Movements Integrated Control Centre to the Strategic Air Operations Centre to command and control the commercial and military aircraft of the regional missions.	The Administration would like to reiterate that this recommendation is similar to the recommendation in paragraph 273 of the Board's report for the period ended 30 June 2018 (A/73/5 (Vol. II), chap. II), which was rejected by the General Assembly in its resolution 73/268 B.	In its resolution 73/268 B, the General Assembly did not endorse the recommendation in paragraph 273 of the Board's report for the period ended 30 June 2018 (A/73/5 (Vol. II), chap. II), which is similar to the recommendation in paragraph 121 of the Board's report for the period ended 30 June 2017 (A/72/5 (Vol. II), chap. II). The Board considers both recommendations to have been overtaken by events.				X
7.	2017	A/72/5 (Vol. II), chap. II, para. 132	The Board recommends that the Administration develop key performance indicators that reflect efficient and cost-effective use of commercial and military aircraft, including unmanned aerial systems. The indicators should also include total costs, including letters of assist, memorandums of understanding and all other costs related to air operations. Memorandum of understanding costs should be included as part of a contingent-owned equipment unit's key performance indicators.	The Administration stated that key performance indicators have been developed for commercial air assets, on the basis of which the Office of Supply Chain Management will start measuring performance with available data by the first quarter of 2021. Going forward, the framework will be further extended to include other types of air assets with lessons learned from commercial assets.	The Administration developed key performance indicators for commercial air assets. The Board considers this recommendation implemented.	X			

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
8.	2017	A/72/5 (Vol. II), chap. II, para. 139	The Board recommends that the Administration issue guidelines which cover the entire process of the letter of assist and the related memorandum of understanding for military aircraft. The guidelines should set out the respective roles of the Department of Peacekeeping Operations and the Department of Field Support, the Procurement Division of the Department of Management and the Headquarters Committee on Contracts. They should designate an accountable and responsible process owner and regulate the competitive selection of contributing countries as well as the calculation of reimbursement rates or fixed costs included in the Manual on Policies and Procedures Concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police-Contributors Participating in Peacekeeping Missions.	The Administration stated that the recommendation is in the process of implementation.	The Administration provided the supply chain operational guidance on letters of assist. The Board considers this recommendation implemented.	X			
9.	2017	A/72/5 (Vol. II), chap. II, para. 140	The Board recommends that the Administration implement the letter of assist process in Umoja.	The recommendation is in the process of implementation. The Administration is working on completing the modifications required to advance the changes in delegation of letters of assist.	The Administration provided a memorandum of the Assistant Secretary-General for Supply Chain Management to directors and chiefs of mission support of peacekeeping and political missions on how to use Umoja when raising a demand for assets under letters of assist. The Board considers this recommendation implemented.	X			

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10.	2017	A/72/5 (Vol. II), chap. II, para. 144	The Board recommends that the Administration analyse non-United Nations passenger requirements authorized by Security Council mandates. Non-eligible non-United Nations passengers must not be taken into account when calculating overall air transport capacity need.	The Administration stated that the requirements for aviation assets for each mission were calculated excluding non-United Nations passengers. A policy on transportation of non-United Nations peace operations passengers on United Nations peace operations-provided aviation assets has been drafted and is in the last round of consultations.	There is no documented calculation of requirements for aviation assets for each mission that excludes non-United Nations passengers, and the draft policy gives no effective assurance that non-eligible non-United Nations passengers are not taken into account. The Board considers this recommendation not implemented.			X		
Delegation of authority										
11.	2017	A/72/5 (Vol. II), chap. II, para. 192	The Board recommends that the Secretariat implement the system for delegating authorities in Umoja. In the meantime, relevant documents authorizing a decision should be uploaded to Umoja.	The Administration holds that the online portal effective since July 2019 for the issuance and management of authorities delegated to heads of entity, and subdelegations from heads of entity to their staff, is the most appropriate tool at this time. According to the Administration, Umoja would not cover all aspects of the delegated authorities, since not all of them require Umoja roles and certain subdelegations require Inspira roles to be exercised. In addition, no approval that should be exercised in Umoja can be accomplished outside Umoja. The recommendation was formulated and accepted in 2017, but has now been overtaken by events owing to the launch of the new comprehensive delegation framework covering all functional areas, which became effective from January 2019.	This recommendation is considered to have been overtaken by events.				X	
Management of the Regional Service Centre in Entebbe										
12.	2017	A/72/5 (Vol. II), chap. II, para. 208	The Board recommends that the Department of Field Support, together with the Regional Service Centre in Entebbe, review the objective of the key	The next generation of key performance indicator reports will be designed to break down the processes by steps and by actors, while still maintaining the overall end-to-end perspective. This approach will help identify and address bottlenecks in the	The Board noted the planned enhancements to the key performance reports and it will assess them in the upcoming financial year 2020/21. This		X			

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			performance indicators and redefine the indicators to provide an effective management tool.	processes. RSCE will share such dashboards with client missions.	recommendation remains under implementation.				
Procurement									
13.	2017	A/72/5 (Vol. II) , chap. II, para. 223	The Board recommends that the Administration analyse the landed costs and implications of the vendor's obligation to deliver goods for the major types of commodities and develop guidance for solicitations regarding the determination of delivery terms/ international commercial terms that result in best value for money, taking into account the total costs of goods, including the cost of freight, regardless of whether freight is included in the price of goods or contracted separately.	The Department of Operational Support and the Procurement Division stated that guidance on international commercial terms is one of the initiatives identified as part of the freight forwarding strategy. At its meeting in June 2020, a steering committee on category management endorsed the initiative to develop a guidance document on international commercial terms with the aim of achieving best value for money, taking into account the total costs of goods, including transportation. The first draft of the guidance document is available and is being further reviewed and finalized by stakeholders. The guidance will be promulgated in the first quarter of 2021.	The Board acknowledges that the Administration is heading in the right direction regarding the Board's recommendation. As the guidance document is still in progress, this recommendation remains under implementation.			X	
14.	2017	A/72/5 (Vol. II) , chap. II, para. 229	The Board recommends that the Administration provide clear guidance on recording the costs of freight forwarding services and terms of agreements in Umoja and link those costs to the procured items.	The target date of May 2021 for the finalization of global freight forwarding contracts remains valid, following which the guidance will be finalized by December 2021.	This recommendation remains under implementation.			X	
15.	2017	A/72/5 (Vol. II) , chap. II, para. 234	The Board recommends that the Procurement Division, in collaboration with the Department of Field Support, initiate the solicitation of a global systems contract for freight forwarding services.	The freight forwarding category strategy was approved in June 2020. The solicitation for freight forwarding services was issued in September 2020 and a bidders' conference was held in October 2020. Contracts are planned to be awarded in March/April 2021.	In addition to the Administration's response, the Board acknowledges the provided documents showing the progress achieved. This recommendation is considered implemented.			X	

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16.	2017	A/72/5 (Vol. II), chap. II, para. 257	The Board recommends that the Procurement Division, in collaboration with the Department of Field Support and the missions, review the role and the governance structure of the Regional Procurement Office and define a clear role and clear responsibilities that avoid duplicate structures.	The Administration has received the commissioned study and is currently assessing the recommendations. It is envisaged that a detailed proposal with future roles and responsibilities of Strategic Air Operations Centre, the Transportation and Movements Integrated Control Centre and the Global Procurement Support Section, including related resources, will be presented in the proposed budget for 2021/22 for consideration and guidance by the General Assembly.	This recommendation is considered implemented.	X				
Human resources										
17.	2017	A/72/5 (Vol. II), chap. II, para. 266	The Board recommends that the Department of Field Support develop a methodology to determine staffing requirements for selected sections of missions, and test the methodology to ensure an objective approach across all missions, to support mission planning and to facilitate the budget process.	With the recent restructuring of the departments, the Office of Human Resources is focusing on strategic workforce planning and working with the Department of Operational Support operational workforce planning team to develop guidance for missions to support their workforce planning activities.	The Administration issued a well-developed workforce planning guide to the missions. Within this framework, the missions will further implement guidance from Headquarters. This recommendation is considered implemented.	X				
Travel management										
18.	2017	A/72/5 (Vol. II), chap. II, para. 308	The Board recommends that the Administration, together with the missions and service centres, review the advance purchase policy and evaluate how best prices for peacekeeping operations travel can be achieved.	The Administration is undertaking a review to modify the non-compliance categories when air tickets are not processed and ticketed at least 16 days in advance of the travel date. For better identification of the reasons for non-compliance, feedback has been requested from the Management Client Board to make recommendations on the main justifications for non-compliance with the advance purchase travel policy, taking into account their operational realities.	See paragraph 26 (b) of chapter II above. This recommendation remains under implementation.			X		
19.	2017	A/72/5 (Vol. II), chap. II, para. 316	The Board recommends that the Administration analyse how the rules for travel and their implementation in	An agreement has been reached among the stakeholder offices to promote and facilitate an alignment of the related Umoja enterprise roles with the corresponding programme	See paragraph 105 of chapter II above. This recommendation remains under implementation.			X		

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			Umoja can be aligned further, taking into account the need to clarify accountabilities.	managers. As a result, based on the need to ensure that sufficient support and training are in place, the expected implementation of the recommendation was postponed to the fourth quarter of 2020.					
20.	2017	A/72/5 (Vol. II), chap. II, para. 321	The Board recommends that the Umoja travel module be further simplified and that Umoja detect or prevent duplicate travel requests to avoid manual checks by processing officers.	In accordance with the current design of Umoja, pre- and post-validation tasks have been implemented to avoid duplication on trips. Validations are implemented in the expense report side, preventing staff members/travellers from claiming the same expenses for the same day more than once (even if a traveller has created multiple trips). In addition, Umoja includes tools to conduct post-validation tasks and monitoring, such as business intelligence reports and analytic solutions, which make available all data required to identify duplicate trips and any other possible inconsistency.	This recommendation is considered implemented.	X			
Vehicle and fuel management									
21.	2017	A/72/5 (Vol. II), chap. II, para. 360	The Board recommends that the Department of Field Support review the requirements defined in the request for proposal and the results of the pilot in the light of the current shortcomings of the CarLog system and the needs of missions and the Department.	Owing to the unsatisfactory outcome and subsequent cancellation of the solicitation process, the Administration, in a collaborative solicitation with the World Food Programme and the United Nations High Commissioner for Refugees, is in the process of re-bidding the fleet management vehicle tracking system. All shortcomings of the CarLog system are being addressed in the new collaborative solicitation. The new contract for the fleet management vehicle tracking system is expected to be in place by the end of 2021.	The Board welcomes the collaborative solicitation with the World Food Programme and the United Nations High Commissioner for Refugees. As the collaborative solicitation is a new situation, this recommendation is considered to have been overtaken by events.				X
Liquidation of the United Nations Operation in Côte d'Ivoire									
22.	2017	A/72/5 (Vol. II), chap. II, para. 464	The Board recommends that the Administration consider keeping staff members available until after the liquidation date to finalize outstanding tasks.	Meeting the needs of the Security Council and the General Assembly Department of Operational Support convened a two-day seminar in February 2020 to capture lessons learned from the closure of MINUJUSTH. This seminar was	This recommendation remains under implementation.		X		

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				underpinned by the extensive mission closure report drafted by the head of the liquidation team. As a result of the seminar, a number of issue papers were drafted that captured the outcome of the seminar and provided recommendations for implementation. These included recommendations regarding ways in which the Department of Operational Support might seek to retain or reinforce staff working on a mission closure. The Department of Operational Support is refining these recommendations with a view to incorporating them into the next iteration of the guide for senior leadership on field entity closure, expected to be finalized in the first quarter of 2021.				
Mission-specific findings								
23.	2017	A/72/5 (Vol. II), chap. II, para. 497	The Board recommends that the Administration, together with MINUSCA, analyse the use of prefabricated buildings to avoid the accommodation of contingents in tents.	The Administration stated that the construction of accommodations for the remaining troops was severely affected by the coronavirus disease (COVID-19) pandemic due to the reduced Mission footprint and movement restrictions within the Central African Republic. In addition, the military concept of operations (strength adjustment at camps, closure of the planned camps, arrival of new contingents) was revised and new fragmentary orders were issued, which also had an impact on the timely construction of accommodations. For example, the strength of the battalion from Gabon in Mobaye was reduced from an original strength of 150 to 62 last year and then increased to 100 this year. This increase of the strength requires two new buildings to be constructed to meet the accommodation requirement. Similarly, the original Grimari camp, with a strength of 150, was reconfigured, which resulted in the arrival of a new quick reaction force in Kaga Bandoro. The new unit arrived in	See paragraphs 16–18 in chapter II above. Construction of accommodations have not been finished. This recommendation remains under implementation.		X	

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24.	2017	A/72/5 (Vol. II), chap. II, para. 500	The Board recommends that the Administration liaise with UNISFA and ask the Government of the Sudan to permit usage of the Athony airfield.	MINUSCA in July 2020. In addition, a new Aviation Unit with a strength of 125 arrived in MINUSCA in May 2020 and a new camp was constructed in Bouar for this Unit. The accommodations provided were 50 per cent hard-walled buildings and 50 per cent prefabricated buildings. Despite the developments described above, MINUSCA currently provides United Nations standard accommodation to 96.2 per cent of its troops, both military and police. Taking into account frequent changes in operational requirements and the prevailing COVID-19 context, MINUSCA envisages that it will meet the remaining accommodation needs of contingents, subject to additional changes, by the end of January 2021.	UNISFA and United Nations Headquarters stated that they would continue the effort to discuss the case at various opportunities. The issue had also been raised in paragraph 22 of Security Council resolution 2445 (2018). Council resolution 2497 (2019) urged that the Governments of the Sudan and South Sudan facilitate basing arrangements for UNISFA in the mission area, including Athony airport, and provide necessary flight clearances, noted that the utilization of Athony airport will reduce the mission's transport costs and logistical challenges, facilitate its medical evacuation, official travel and air cargo needs, increase humanitarian access and enhance safety and security for UNISFA personnel, and called upon all parties to fully adhere to their obligations under the status-of-forces agreement.	The Board notes efforts to allow the utilization of Athony airfield. However, its utilization is not possible yet. This recommendation remains under implementation.		X	

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25.	2017	A/72/5 (Vol. II), chap. II, para. 510	The Board recommends that the Administration act at a global level to prevent further acts of fraud as a result of manipulating Umoja leave time data.	The Administration stated that work continued on the new danger pay solution. Testing was now under way and the release of the solution would be planned in conjunction with the new administrative instruction on danger pay under final review. The target date is December 2021.	This recommendation remains under implementation.		X		
Subtotal, 25 recommendations (percentage)						8 (32)	11 (44)	1 (4)	5 (20)

Budget and financial reporting

1.	2018	A/73/5 (Vol. II), chap. II, para. 37	The Board recommends that the Administration ensure accountable oversight of the management of material master data to achieve improved and harmonized material master data in the areas of product IDs, units of measurement and material descriptions, with a view to accurately reflecting assets in the financial statements and meeting supply chain requirements.	Technical enhancements to the material master design as supported by Umoja have been completed. In 2019/20, stage 1 of the material master transformation project, whereby all product IDs (more than 180,000 product IDs in total) were reviewed to identify and block obsolete and outdated product IDs, was completed. Stage 2 of the project, in which all active product IDs were to be classified into United Nations Standard Products and Services Codes and category management hierarchies to allow for planning at different levels, was under way and expected to be completed by December 2020. Stage 3 of the project, when the material master records will be further defined, was expected to commence by the end of 2020. In stage 4, the material and service master data for all individual inventory, assets and contracts will be updated.	This recommendation remains under implementation.		X		
2.	2018	A/73/5 (Vol. II), chap. II, para. 54	The Board recommends that the Administration develop a common approach for property management and its financial reporting that reflects the integration of processes in Umoja.	During the reporting period, the Administration harmonized the application of inventory management and reporting policies and procedures to all entities, operationalized reporting on non-serialized equipment and developed and promulgated business intelligence tools, along with job aids and training, to enable self-service monitoring and reporting capability for	This recommendation is considered implemented.	X			

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				property management and finance users. The Administration introduced a cross-functional approach for property management and its financial reporting, involving property management, finance, supply chain and Umoja support from Headquarters, service centres and the entities.					
3.	2018	A/73/5 (Vol. II), chap. II, para. 59	The Board recommends that the Administration review its legacy accounting policies for assets from the Galileo era, in particular with regard to recognition thresholds and the differentiation between financial and non-financial inventory.	The concept of financial and non-financial inventory was revamped with typically used categories of strategic inventory and supplies and consumables. The IPSAS guidance on inventory was revised accordingly.	This recommendation is considered implemented.	X			
4.	2018	A/73/5 (Vol. II), chap. II, para. 69	The Board recommends that the Administration include information on cost recoveries in future budget submissions.	Information on cost recoveries for services provided to other peacekeeping operations and non-peacekeeping user entities, as well as payments made for the services received from other peacekeeping operations and non-peacekeeping user entities, has been included in the supplementary information provided to the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee for the 2020/21 period, and will continue to be provided for future budget periods.	This recommendation is considered implemented.	X			
5.	2018	A/73/5 (Vol. II), chap. II, para. 70	The Board recommends that the Administration issue comprehensive guidance on cost recoveries, including with regard to responsibilities, agreements and contractual relationships, budgeting, pricing, recovering costs and processing in Umoja.	The Administration intends to provide a comprehensive policy document during 2021.	See paragraph 26 (c) in chapter II above. This recommendation remains under implementation.		X		
6.	2018	A/73/5 (Vol. II), chap. II, para. 74	The Board recommends that the Administration issue guidance on the appropriate usage of funds commitments	The draft guidance will be circulated to finance offices for comments.	See paragraph 26 (d) in chapter II above. This recommendation remains under implementation.		X		

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			and monitor compliance in that regard.						
7.	2018	A/73/5 (Vol. II), chap. II, para. 83	The Board recommends that the missions, service centres and Headquarters each prepare a comprehensive risk-control matrix in the area of financial reporting.	The Administration has documented the internal controls related to financial reporting through comprehensive risk control matrices. The risk control matrices have been provided to the peacekeeping missions and service centres for implementation.	This recommendation remains under implementation.		X		
Meeting the needs of the Security Council and the General Assembly									
8.	2018	A/73/5 (Vol. II), chap. II, para. 95	The Board recommends that the Administration align the further development of the comprehensive performance assessment system with the requests of the Security Council stipulated in its resolutions 2378 (2017) and 2436 (2018). The Administration should draw on the achievements of the United Nations field support performance framework.	The Administration stated that the Comprehensive Planning and Performance Assessment System has now been introduced in six peacekeeping operations: MINUSCA, UNMISS, UNIFIL, UNFICYP, MONUSCO and MINUSMA. The System is also currently being introduced in UNAMID in accordance with the request of the Security Council in its resolution 2525 (2020). The pilot has been successfully completed and the methodology refined based on best practices and lessons learned to ensure that the System is a practical and effective tool for peacekeeping missions to conduct integrated planning, assess the impact of the missions as a whole and strengthen operations.	This recommendation is considered implemented.		X		
9.	2018	A/73/5 (Vol. II), chap. II, para. 102	The Board recommends that the Administration assess all policies and guidelines on mission reviews and decide on one single document which governs all aspects, clarifies roles and assigns responsibility for implementing the recommendations raised. The document should include considerations for a system for peacekeeping mandate implementation performance	The Administration has issued a guidance note on strategic reviews and assessments that covers all the requirements raised in the recommendation.	This recommendation is considered implemented.		X		

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			based on clear and well-defined benchmarks, meeting the requirements of the Security Council as requested in its resolutions 2378 (2017) and 2436 (2018) .						
Meeting the missions' needs – force generation and reimbursement									
10.	2018	A/73/5 (Vol. II) , chap. II, para. 142	The Board recommends that the Administration adopt the draft force generation manual without further delay and issue guidelines which cover the entire process of force generation. The Administration should designate an accountable and responsible process owner, define the roles of individual staff, establish mechanisms such as regular staff rotation to address any conflict of interest and regulate the competitive selection of contributing countries.	The Administration stated that the force generation manual, in its final revised form, is expected to be signed shortly by the Under-Secretary-General for Peace Operations.	The force generation manual has not yet been finalized. The Board considers this recommendation to be under implementation.		X		
11.	2018	A/73/5 (Vol. II) , chap. II, para. 144	The Board recommends that the Administration align force selection to the United Nations general rules of best value for money; of fairness, integrity and transparency; of effective international competition; and of the interests of the United Nations. They should govern the selection criteria of the force generation manual. Selection of troop-contributing countries should take into account the prior conduct and performance of troops from those countries.	In its resolution 73/268 B , the General Assembly requested that the Secretary-General not implement this recommendation.	In its resolution 73/268 B , the General Assembly did not endorse the recommendation. The Board considers this recommendation to have been overtaken by events.				X

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12.	2018	A/73/5 (Vol. II) , chap. II, para. 149	The Board recommends that the Administration accept caveats only after mission consultation and adopt a policy that any caveat must be stated by the troop-contributing countries officially and in written form in order to become valid.	In its resolution 73/268 B , the General Assembly requested that the Secretary-General not implement this recommendation.	In its resolution 73/268 B , the General Assembly did not endorse the recommendation. The Board considers this recommendation to have been overtaken by events.				X	
13.	2018	A/73/5 (Vol. II) , chap. II, para. 151	The Board recommends that the Administration submit a proposal to the Working Group on Contingent-Owned Equipment, for consideration by the General Assembly, that performance criteria be included in the memorandums of understanding with the Member States. The Board recommends that the Administration also submit a proposal to the Working Group on Contingent-Owned Equipment, for consideration by the Assembly, to the effect that performance criteria shall be linked to the reimbursement rates.	In its resolution 73/268 B , the General Assembly requested that the Secretary-General not implement this recommendation.	In its resolution 73/268 B , the General Assembly did not endorse the recommendation. The Board considers this recommendation to have been overtaken by events.				X	
14.	2018	A/73/5 (Vol. II) , chap. II, para. 153	The Board recommends that the Administration implement the force generation process in Umoja.	The Administration stated that critical steps of the force generation process were incorporated into Umoja. Statements of Unit Requirements and memorandums of understanding were also included. The process is expected to be finalized by December 2021.	This recommendation is considered to be under implementation.		X			
Meeting the missions' needs – capability gaps										
15.	2018	A/73/5 (Vol. II) , chap. II, para. 167	The Board recommends that the Administration oversee the missions to ensure that redundant and outdated equipment is removed.	The Administration stated that the Contingent-Owned Equipment/Memorandum of Understanding Management Review Board process had been established at the mission and Headquarters levels to handle matters	This recommendation is considered implemented.		X			

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				related to the deployment of formed units. Existing procedures required a mission to utilize the Board's decision-making process to repatriate redundant and outdated equipment and send recommendations to Headquarters if such an action required amending the memorandum of understanding. The Administration provided several terms of reference demonstrating that the mechanism oversaw contingent-owned equipment and memorandums of understanding.					
16.	2018	A/73/5 (Vol. II), chap. II, para. 176	The Board recommends that the Secretary-General include reliable evacuation and medical care in the compacts of the Special Representatives of the Secretary-General in peacekeeping missions to assure contingents and civilian staff of their security in case of emergency.	The Administration has included reliable evacuation and medical care in the compacts.	This recommendation is considered implemented.	X			
Workplans and guidelines									
17.	2018	A/73/5 (Vol. II), chap. II, para. 183	The Board recommends that the Administration review the objectives, processes and staff requirements of integrated operational teams, considering the upcoming new peace and security structure.	The Administration stated that the implementation of this recommendation will be prioritized in 2021.	There was no documentation nor any other indication of implementation. The Board considers this recommendation not implemented.			X	
18.	2018	A/73/5 (Vol. II), chap. II, para. 185	The Board further recommends updating the integrated operational teams policy based on this review.	The Administration stated that the implementation of this recommendation will be prioritized in 2021.	There was no documentation nor any other indication of implementation. The Board considers this recommendation not implemented.			X	

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Management of contingent-owned equipment and troop-strength reporting									
19.	2018	A/73/5 (Vol. II) , chap. II, para. 209	The Board recommends that the Administration analyse the direct and indirect costs associated with the disposal of unserviceable and expired ammunition from troop- and/or police-contributing countries and inform Member States accordingly.	The Administration stated that a study will involve missions, the Mine Action Service, the Department of Peace Operations and the Logistics Division. As the lead of the study has yet to be identified by the management, the Uniformed Capabilities Support Division will be a partner, providing the amount disbursed for expired and unserviceable ammunition for the period selected for the study. The study has been delayed because of conflicting priorities and the ongoing pandemic. The Department of Operational Support intends to begin the study in the second quarter of 2021. Meanwhile, the Uniformed Capabilities Support Division will initiate the collection of data related to the claims submitted by the troop- and police-contributing countries for disposed unserviceable and expired ammunition.	This recommendation remains under implementation.		X		
20.	2018	A/73/5 (Vol. II) , chap. II, para. 217	The Board recommends that the Administration conduct a comprehensive review of the Operational Ammunition Expenditure Certificates process, with due regard to controls ensuring accuracy, and subsequently rectify deficiencies identified.	The Life Support and Transport Section of the Sourcing Support Service of the Logistics Division developed and implemented a new database in Microsoft SharePoint to store and share all information related to claims for ammunition and explosives reimbursement. The database is organized by field mission, troop-contributing country and claim number.	Other than implementing this database, the Administration has not yet conducted a comprehensive review of the operational ammunition expenditure certificates process. This recommendation remains under implementation.		X		
21.	2018	A/73/5 (Vol. II) , chap. II, para. 226	The Board recommends that the Administration establish a compliance control to ensure that its contingent-owned equipment inspectors properly conduct arrival inspections for ammunition and explosives, as specified in the guidelines for the field verification and control of contingent-owned equipment and management of memorandum of understanding.	The Administration stated that, pursuant to General Assembly resolution 74/279 , the 2020 edition of the Contingent-Owned Equipment Manual (A/75/121) would shortly be officially published. The derivative field verification guidelines will reiterate guidance to field missions on ammunition inspection criteria associated with arrival inspections.	The Board acknowledged the publication of the Contingent-Owned Equipment Manual; however, compliance control has not yet been established. This recommendation remains under implementation.		X		

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22.	2018	A/73/5 (Vol. II), chap. II, para. 227	The Board recommends that the Administration review all inventories of ammunition and explosives held by military/police units in missions for compliance with the guidelines for the field verification and control of contingent-owned equipment and management of memorandum of understanding, and update missing information in particular on the date of expiration.	The Administration stated that, pursuant to General Assembly resolution 74/279, the 2020 edition of the Contingent-Owned Equipment Manual (A/75/121) would shortly be officially published. The derivative field verification guidelines will also provide supplementary guidance to field missions on ammunition. The review of inventories of ammunition and explosives falls under the purview of the Department of Peace Operations. The United Nations Manual on Ammunition Management published in January 2020 by the Department of Peace Operations and shared with all missions is the overarching document on the management of ammunition and explosives. The joint code cable to missions dated 27 April 2020 asked all field missions to calculate the operational ammunition requirements against the scales and shelf lives set out in the Manual on Ammunition Management, review the existing inventories and take the requisite actions.	The Board acknowledged the publication of the Contingent-Owned Equipment Manual. The Board did not receive a final report or any other documentation about a review of all inventories of ammunition and explosives held by military/police. This recommendation remains under implementation.		X		
23.	2018	A/73/5 (Vol. II), chap. II, para. 232	The Board recommends that the Administration establish key performance indicators that measure qualitative aspects of missions' contingent-owned equipment programmes, such as, but not limited to, the proper conduct of verification inspections and control activities.	In line with prior Administration comments, qualitative measures of contingent-owned equipment performance in relation to mandated tasks are under the purview of the Department of Operational Support; however, qualitative aspects of contingent-owned equipment inspection and verification are being addressed through the guidelines for field verification and control of contingent-owned equipment and management of memorandum of understanding. These guidelines provide detailed standards for contingent-owned equipment inspectors so that uniformity is maintained while conducting contingent-owned equipment inspection and verification, and are updated periodically. The Uniformed Capabilities Support Division also intends to conduct annual	This recommendation is considered implemented.	X			

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24.	2018	A/73/5 (Vol. II), chap. II, para. 254	The Board recommends that the Administration develop guidance for missions regarding standardized internal controls, verification procedures and related tests to be performed by each mission stakeholder to ensure accurate troop-strength reporting and subsequently monitor the actual implementation in all missions.	contingent-owned equipment workshops to address the qualitative aspects of contingent-owned equipment verification and improve compliance with the standards. The Uniformed Capabilities Support Division continues to provide quantitative performance metrics derived from reports required for reimbursement purposes. The Division tracks the quarterly submission of verification/inspection reports through key performance indicators that are reflected in the quarterly global status report. The quantitative element of this recommendation has been implemented. The Administration stated that the recommendation is in the process of implementation. Work package 2 of the Uniformed Capabilities Management System, which introduces functionality for uniformed (police and military) strength reporting and reimbursements of troop costs to troop- and police-contributing countries, has been delivered and was due to be deployed in January 2021. The implementation of the solution will also include any required business guidance prepared by business entities. The implementation of the troop- and police-strength reporting process using the Uniformed Capabilities Management System was anticipated to commence in January 2021 with strength reporting by field missions, and with reimbursement processing in the second quarter of 2021 by the Uniformed Capabilities Support Division. As a part of the implementation, missions have been requested to prepare implementation readiness plans that specify military and police focal points responsible for entering strength data and civilian focal points responsible for reviewing and maintaining process stability within the Uniformed Capabilities Management	This recommendation remains under implementation.		X	

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				System, and specify approving roles (e.g., Force Commander, Police Commissioner) and certifying roles (e.g., Chief/Director of Mission Support), which are to be managed outside the system.					
Air operations									
25.	2018	A/73/5 (Vol. II) , chap. II, para. 266	The Board recommends that the Administration must centrally approve field missions' use of their air operations budgets for strategic flights to implement a centralized air operations authority and coordination for increased efficiency and cost-effectiveness.	In its resolution 73/268 B , the General Assembly requested that the Secretary-General not implement this recommendation.	In its resolution 73/268 B , the General Assembly did not endorse the recommendation. The Board considers this recommendation to have been overtaken by events.				X
26.	2018	A/73/5 (Vol. II) , chap. II, para. 273	The Board reiterates its recommendation, endorsed by the General Assembly, to delegate coordination and tasking authority for all peacekeeping and special political missions' strategic air operations to the Strategic Air Operations Centre. The Board expects implementation without further delay (A/72/5 (Vol. II) , chap. II, para. 119).	In its resolution 73/268 B , the General Assembly requested that the Secretary-General not implement this recommendation.	In its resolution 73/268 B , the General Assembly did not endorse the recommendation. The Board considers this recommendation to have been overtaken by events.				X
27.	2018	A/73/5 (Vol. II) , chap. II, para. 280	The Board recommends that the Administration ensure continuity of Strategic Air Operations Centre operations by maintaining the reporting lines to the Air Transport Section as they are now, and using the expertise of the present staff. The Board also recommends that the Administration submit a proposal in this regard	In its resolution 73/268 B , the General Assembly requested that the Secretary-General not implement this recommendation.	In its resolution 73/268 B , the General Assembly did not endorse the recommendation. The Board considers this recommendation to have been overtaken by events.				X

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			detailing the costs of moving the Strategic Air Operations Centre away from the current location and identifying the impact on field missions' air operations in the light of earlier recommendations of the Board as endorsed by General Assembly.							
28.	2018	A/73/5 (Vol. II), chap. II, para. 285	The Board reiterates its recommendation that the Administration implement the letter of assist process in Umoja (A/72/5 (Vol. II), chap. II, para. 140).	The Administration stated that a cross-functional working group on letters of assist made substantial progress and drafted a comprehensive operational guidance document. The finalization of the guidance document is subject to agreement with the Department of Peace Operations on its role in the process.	The Administration provided a memorandum by the Assistant Secretary-General for Supply Chain Management to directors and chiefs of mission support of peacekeeping and political missions on how to use Umoja when raising a demand for assets under letters of assist. The Board considers this recommendation implemented.	X				
Legal framework and processes										
29.	2018	A/73/5 (Vol. II), chap. II, para. 297	The Board recommends that the Administration take stock of its policy framework and business processes, and analyse how these can be aligned and simplified to improve transparency and accountability. The Administration should use the SAP software's standard functionalities to the best possible extent and avoid customizing Umoja.	A comprehensive policy simplification project has been under way since 2018, comprising the review of some 600 policies across the regulatory framework and resulting in the abolishment of more than 130. As part of this project, an integrated policy and guidance framework has been advanced to provide a public online repository for all documentation of the administrative framework. Work is currently ongoing to improve and enhance the overall framework.	See paragraphs 105 ff. in chapter II above. This recommendation remains under implementation.		X			
Supply chain management										
30.	2018	A/73/5 (Vol. II), chap. II, para. 335	The Board recommends that the Administration guide and oversee mission implementation of the instructions on property	The Headquarters Property Survey Board is working with stakeholders to prepare an administrative instruction for property survey boards which will define the purpose, role, functions and composition of	The process is ongoing. This recommendation remains under implementation.		X			

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			management, and take action in case of non-compliance. This includes ensuring the alignment of functions, Umoja roles and (sub)delegations of authority, and the appropriate composition of the Local Property Survey Board.	Local Property Survey Boards, as well as the monitoring of those Boards by the Headquarters Property Survey Board. The Headquarters Property Survey Board noted that the establishment of the monitoring mechanism will be aligned with the release of the related administrative instruction. Regarding the recommendation for the monitoring of the property management subdelegations of authority within entities in order to ensure that subdelegations are issued only to qualified United Nations officials, the Business Transformation and Accountability Division, in its role as a second line of defence, planned to implement related monitoring key performance indicators by the fourth quarter of 2020.					
Peacekeeping procurement									
31.	2018	A/73/5 (Vol. II), chap. II, para. 360	The Board recommends that the Administration review its vendor management, with due regard to good common industry standards, and subsequently assign clear responsibilities for the prioritized rectification of deficiencies identified.	The Department of Operational Support and the Procurement Division stated that several initiatives had been implemented in this area. Negative reports arising from the contract performance reporting tool have been provided to all vendor management staff, including those in the secretariat of the Vendor Review Committee. In consultation with the Procurement Division, the Vendor Review Committee secretariat determines whether the case should be submitted to the Vendor Review Committee for review. The United Nations Procurement Manual addresses the evaluation of vendor performance, assigning clear roles and responsibilities to the stakeholders in this process. An instant feedback system, whose pilot was launched on 30 April 2020 and was expected to be rolled out in the fourth quarter of 2020, would greatly assist the vendor management process. The Administration has started to review the financial situation	This recommendation remains under implementation.		X		

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				of all vendors with contracts valued at more than \$10 million. The recommendation is in the process of implementation. The Administration has been reviewing the financial situation of all vendors with contracts valued at more than \$10 million (currently at 70 per cent review status). At the time of writing, the target for the implementation of this recommendation remained the fourth quarter of 2020.				
32.	2018	A/73/5 (Vol. II), chap. II, para. 375	The Board recommends that the Administration consider publishing tenders for goods and services instead of solely publishing the request for expression of interest.	The Department of Operational Support stated that the Administration is in the process of conducting a review that involves several factors, such as an appropriate e-tendering solution, confidentiality requirements and a best practices review across the United Nations system. The review scheduled for the first quarter of 2020 was delayed owing to the movement of the timelines of the e-tendering project. The expected target for implementation is the second quarter of 2021. The Administration is currently designing and implementing the e-tendering solution. As part of that design work, a dedicated vendor portal is required to allow the United Nations to manage its own vendor community. A technical analysis of the risks of publishing all tenders cannot be undertaken until that time.	This recommendation remains under implementation.		X	
33.	2018	A/73/5 (Vol. II), chap. II, para. 385	The Board recommends that the Administration analyse the lessons learned with the request for proposal method for long-term air charter services and use the results to develop a strategy to fully implement the request for proposal method.	In its resolution 73/268 B, the General Assembly requested that the Secretary-General not implement this recommendation.	In its resolution 73/268 B, the General Assembly did not endorse the recommendation. The Board considers this recommendation to have been overtaken by events.			X
34.	2018	A/73/5 (Vol. II), chap. II, para. 387	The Board recommends that the Administration use the lessons learned and develop a template that supports	In its resolution 73/268 B, the General Assembly requested that the Secretary-General not implement this recommendation.	In its resolution 73/268 B, the General Assembly did not endorse the recommendation. The Board			X

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			missions to document their air-service requirements based solely on logistical capabilities instead of requesting specific aircraft types. The statement of work for the request for proposal should be based on this template.		considers this recommendation to have been overtaken by events.				
35.	2018	A/73/5 (Vol. II), chap. II, para. 393	The Board recommends that the Procurement Division, together with involved stakeholders, review its active contracts with a focus on product IDs and take corrective action to ensure that the goods available through contracts are clearly identifiable and can be reflected accurately in the inventory and financial statements.	Technical enhancements to the material master design as supported by Umoja have been completed. In 2019/20, stage 1 of the material master transformation project, whereby all product IDs (more than 180,000 product IDs in total) were reviewed to identify and block obsolete and outdated product IDs, was completed. Stage 2 of the project, in which all active product IDs are to be classified into United Nations Standard Products and Services Codes and category management hierarchies to allow of a planning on different levels, was under way and expected to be completed by December 2020. Stage 3 of the project, where the material master records will be further defined, by commodity, in terms of attributes, values and additional data fields, was expected to commence by end of 2020. Once the classifications and definitions are complete, stage 4 of the project will begin, whereby the material and service master data for all individual inventory, assets and contracts will be updated. Progress on stages 2, 3 and 4 of the material master transformation project are necessarily aligned with the category management project, and any progress is dependent on the engagement and responsiveness of category managers. It is anticipated that the project will be fully finalized in 2023.	This recommendation is considered implemented.	X			

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Human resources									
36.	2018	A/73/5 (Vol. II) , chap. II, para. 407	The Board recommends that the Administration amend the policy for rosters with the objective to facilitate roster-building, management and data cleansing.	To create the regulatory framework in support of improved processes, proposals for roster management, including limiting the duration of roster memberships, are under consideration in the context of the revision of the staff selection system policy and the provision to remove candidates from rosters. Comments from the staff and stakeholders from the global Secretariat on the proposed draft revision are under consideration and further feedback may be sought through the Staff-Management Committee. Consultations on the revised administrative instruction with representatives of the staff and of management were to occur in the first part of 2020.	The Administration did not amend the roster policy. This recommendation remains under implementation.		X		
37.	2018	A/73/5 (Vol. II) , chap. II, para. 417	The Board recommends that the Administration review the recruitment process to increase transparency and simplify and shorten the procedure.	The revision to the staff selection policy is being undertaken as part of the management reform to simplify and streamline procedures. During its seventy-first session, the General Assembly approved, on a pilot basis, a reduction in the number of days all job openings in the Professional and higher categories could be posted from 60 to 45. At its seventy-third session, the Assembly deferred a proposal to further reduce the time from 45 to 30 days to its seventy-fourth session. In September 2018, the United Nations Global Centre for Human Resources Services was established in Bonn, Germany, to streamline and standardize and provide job classification advice and notices using the master standards promulgated by the International Civil Service Commission. In addition, the Centre launched a reference-checking process, which checks employment records, academic records and qualitative references.	The Board holds that the roster selection is not transparent, as it is not sufficiently regulated. The Administration stated that discussions were ongoing. This recommendation remains under implementation.		X		

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38.	2018	A/73/5 (Vol. II), chap. II, para. 425	The Board recommends that the Administration review and compare current mission support staffing at the section and subsection level across all missions and advise missions in cases of significant deviations.	The Office of Human Resources of the Department of Management Strategy, Policy and Compliance and the Human Resources Services Division of the Department of Operational Support worked together to issue a workforce planning guide in August 2020. The guide is part of the post-reform objectives for human resources and provides a practical, step-by-step tool for entities on how to apply workforce planning techniques to align their current and future workforces with their mandates, departmental action plans or any other strategic goals or imperatives, such as gender parity, geographical representation, diversity and inclusion, business continuity and emergency preparedness. It should be noted that workforce planning is a joint effort in which heads of entities, chiefs of staff, heads of administration, programme managers and human resources practitioners come together to operationally respond to workforce needs, and can be used during the regular budget planning cycle as governed by the principles of the delegation of authority. The guide was formally launched for the global community of chiefs of human resources in August 2020. In addition, the Human Resources Services Division of the Department of Operational Support released a staffing review toolkit in May 2020. The toolkit provides a detailed step-by-step process that can be used to review the staffing of an entity. It includes annexes with guiding questions, checklists and best practices gained from various exercises. The creation of the staffing review toolkits stemmed from the review of peace operations and civilian staffing reviews, but was expanded to create a methodology for conducting a staffing review (for both staff and non-staff personnel). Human	The Administration has provided supporting documents (e.g., workforce planning guides, etc.). The Board considers this recommendation implemented.		X		

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				resource practitioners can use this toolkit and guidance materials to assist programme managers in reviewing their areas as necessary, particularly in conjunction with the workforce planning methodology. Advice to missions is provided on an ongoing basis in the context of human resources advisory services. Given that these two milestones have been delivered to enable the systematic review of mission structures based on a standard methodology, it is recommended that the recommendation be closed.					
Subtotal, 38 recommendations (percentage)						11 (29)	17 (45)	2 (5)	8 (21)
Budget and finance									
1.	2019	A/74/5 (Vol. II), chap. II, para. 39	The Board recommends that the Administration include in the compacts of the Secretary-General with heads of missions a performance indicator ensuring sound property, plant, equipment and inventory data quality.	A new property management performance indicator was included in compacts of heads of missions starting with the 2020/21 period.	This recommendation is considered implemented.	X			
2.	2019	A/74/5 (Vol. II), chap. II, para. 49	The Board recommends that the Administration correct erroneous staff service and participation data which it has already forwarded to the actuary for the valuation of the after-service health insurance liability, and correct the employee benefits liabilities in the financial statements.	The census data for the actuarial valuation as at 31 December 2019 was augmented with the initial entry on duty data provided by the United Nations Joint Staff Pension Fund. The data improvement at the level of the individual staff member assured a more reliable estimate for after-service health insurance liabilities. Regarding data related to entry on duty, it was recently found that the same issue was identified for a number of United Nations system entities in the audits of 2019 financial statements. A consensus was reached to cooperate in finding a common solution and implementing it for the next actuarial	The Board reviewed a sample of 40 personnel files and noted differences between the entry date recorded in the personnel file and the United Nations Joint Staff Pension Fund entry date in 25 cases. The Board further noted that the Pension Fund entry date was not fully suited to reflect years of participation in a United Nations health insurance plan. Staff members may choose not to enrol in a United Nations		X		

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				valuation, to be undertaken as at 31 December 2021.	health insurance plan, employment times may be interrupted or contract types under which the staff member was employed may not be counted towards the eligibility for after-service health insurance. The Board holds that using Pension Fund data to determine the eligibility for after-service health insurance and to use this data for the valuation of the employee benefit liabilities is only a transitional approximation. The Board stresses the importance of accurate human resources data and acknowledges the intention to develop a common solution for the United Nations system. This recommendation remains under implementation.				
3.	2019	A/74/5 (Vol. II), chap. II, para. 57	The Board recommends that the Administration strengthen internal controls to prevent potential fraud related to reimbursements for residential security measures, and scrutinize security companies as well as the pricing of security services.	The Administration is currently in the process of documenting the internal controls related to reimbursements for residential security measures. The recommended internal controls will be provided to the peacekeeping missions for implementation.	This recommendation remains under implementation.			X	
4.	2019	A/74/5 (Vol. II), chap. II, para. 59	The Board recommends that the Administration perform a review to identify cases where staff members were unjustifiably granted monthly reimbursements for residential security measures until the year 9999, reclaim payments where necessary	RSCE has strengthened its monthly internal control review procedures relating to security reimbursement. All transactions are reviewed by a team leader prior to submission to the human resources partner for processing. This review ensures that monthly security reimbursements for separating staff members and for reassigned staff members are terminated in	This recommendation is considered implemented.	X			

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			and take measures to avoid any such incidents in the future.	the month of separation or reassignment. RSCE conducted a review which identified cases in which staff members were unjustifiably granted monthly reimbursements for residential security measures. From this review exercise, perpetual end dates were corrected in Umoja and overpayments were recovered through payroll reductions.					
5.	2019	A/74/5 (Vol. II), chap. II, para. 70	The Board recommends that the Administration prevent incorrect settling-in and relocation grant payments by establishing internal controls, especially with regard to the duration of the respective assignments.	The Administration has documented the internal controls related to the settling-in and relocation grants. The recommended internal controls have been provided to the peacekeeping missions for implementation. However, the Office of Programme Planning, Finance and Budget has not yet assessed the status of their implementation within the peacekeeping missions. This activity is still in progress and an update will be provided by 31 March 2021.	In financial year 2019/20, the Board again noted incorrect settling-in payments. The Board holds that the implementation of internal controls, for example, systematic reviews with a focus on irregularities such as repetitive payments or highest amounts, or a recalculation based on samples, should be expedited. This recommendation remains under implementation.		X		
6.	2019	A/74/5 (Vol. II), chap. II, para. 77	The Board recommends that the Administration change the danger pay allowance process to ensure that every absence of staff leads to a danger pay adjustment.	The implementation of an enhanced danger pay solution in Umoja is currently being tested and is scheduled for release in 2021. In conjunction with the release of the new solution, a new administrative instruction on danger pay is also in the final stages of review.	This recommendation remains under implementation.		X		
7.	2019	A/74/5 (Vol. II), chap. II, para. 83	The Board recommends that the Administration strengthen internal controls to ensure appropriate dependency allowance payments by using Umoja and United Nations systems-wide data.	The 2019 and 2020 annual declaration exercises have been initiated and are currently under way. It is important to note that during the submission of an annual declaration, staff members are required to confirm the employment status, including the employing organization, of financially dependent spouses. New dashboards in the power business intelligence platform have been created to enable better self-monitoring of the submission of the declaration at the entity and service provider level. Entities are	The Board holds that the Administration cannot rely on the staff members solely, but needs to establish proper control mechanisms. The Administration should do its best to control and verify any information provided that triggers payments. This recommendation remains under implementation.		X		

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				now able to monitor submissions at the level of duty station and staff member and reports are updated on a weekly basis.				
8.	2019	A/74/5 (Vol. II), chap. II, para. 94	The Board recommends that the Administration close inactive bank accounts, include all bank balances and currencies during periodic verification and demand bank statements for monthly reconciliation.	The process of reviewing house banks is ongoing and the Administration plans to close those that are not needed. In the United States of America, the Administration has closed several disbursements with Citibank. Also, the Administration is committed to the timely upload of bank statements and has taken steps to strengthen the process of bank statement submission by house banks. The issue noted with two house banks that experienced delays in the submission of bank statements owing to changes in the banks' SWIFT (Society for Worldwide Interbank Financial Telecommunication) back office operations has been corrected. In addition, the Administration has sent reminders to all manual bank statement operators on the importance of entering monthly bank statements in a timely manner.	This recommendation is considered implemented.	X		
9.	2019	A/74/5 (Vol. II), chap. II, para. 99	The Board recommends that the Administration consider the heads of entity of peacekeeping missions as key management personnel in accordance with IPSAS 20 and include all relevant disclosures for this group in the notes to the financial statements.	The heads of peacekeeping missions were included in the list of key management personnel and the relevant disclosure was made in the 2019/20 financial statements.	This recommendation is considered implemented.	X		
Military component								
10.	2019	A/74/5 (Vol. II), chap. II, para. 109	The Board recommends that the Administration define minimum basic military skills which every United Nations soldier must have before deployment. In addition, it needs to specify	The Administration stated that it had validated individual military skills during predeployment visits. Specific collective military skills (based on unit type) were outlined in the respective unit manuals, such as the new United Nations Infantry Battalion Manual. In 2020, standardized	The Administration has defined basic military skills and is in the process of aligning validations to ensure evaluations according to standardized criteria. However, it did not produce		X	

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			which further skills soldiers of different types of units must have. These requirements should apply to all missions and be evaluated according to standardized criteria.	criteria was developed to validate/evaluate the capacity for effective command and control of subordinate and supporting units based on a system of essential functions. The Administration aligned validations to ensure that all types of validations/evaluations were based on the same standardized criteria.	any written outline of further skills soldiers of different types of units must have, including, for example, engineering, artillery, signal and mine action. This recommendation remains under implementation.				
11.	2019	A/74/5 (Vol. II), chap. II, para. 116	The Board recommends that the Administration give the military performance evaluation task force a higher priority and consequently reallocate posts to it so it can participate in every initial predeployment visit and participate in at least one out of four troop rotation predeployment visits.	The Administration stated that it continued to assess ways to reinforce the task force. However, the recent financial environment and explicit expectations from Member States of a reduction in posts funded by the support account for peacekeeping operations at Headquarters, in addition to the reduction in missions and uniformed personnel in the field, have made the implementation of the recommendation more complicated. In 2020, the military performance evaluation task force had, despite the COVID-19 pandemic, participated in one initial predeployment visit and had conducted three remote predeployment visits (with three more expected in 2020) for rotating units.	This recommendation remains under implementation.		X		
12.	2019	A/74/5 (Vol. II), chap. II, para. 117	The Board recommends that the Administration consult with troop-contributing countries to reconsider the deployment of a unit if the military performance evaluation task force identifies a lack of predefined basic military skills during predeployment visits.	The Administration stated that in all identified cases of a lack of basic military skills, the Administration had consulted with affected troop- and police-contributing countries. The initial deployment or rotation had been delayed to allow the troop-contributing country to rectify the identified shortfalls and implement the concrete recommendations provided by the military performance evaluation task force. In three cases, the Administration conducted additional predeployment visits. Any lack of necessary basic military skills was reported by the military performance evaluation task force during the structured monthly performance meeting process in the	As shown by the number and gravity of the shortcomings MINUSMA has identified (see chap. II of the present report), the Board holds that the Administration needs to strengthen its efforts to ensure that troop- and police-contributing countries reconsider deployment in cases of a lack of predefined basic military skills. This recommendation remains under implementation.		X		

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13.	2019	A/74/5 (Vol. II) , chap. II, para. 125	The Board recommends that the Administration review the impact and effectiveness of the \$70 million budget for the special unit; it should report the result to stakeholders before the new budget cycle starts.	Department of Peace Operations and triggered, depending on the severity of identified shortfalls, consultations on a political and/or military level with affected troop- and police-contributing countries. The Administration deployed an evaluation mission in December 2019 to assess the ability of the MONUSCO military component, including the Intervention Brigade, to effectively deliver on its protection of civilians mandate, identify operational deficiencies and gaps and make practical recommendations on ways to improve the military component's performance in these domains. MONUSCO stated that the Intervention Brigade had begun to plan joint operations with the Armed Forces of the Democratic Republic of the Congo. ¹	This recommendation is considered implemented.	X		
14.	2019	A/74/5 (Vol. II) , chap. II, para. 131	The Board recommends that the Administration deploy the maximum possible number of troops to protect civilians when demanded by the mandate.	The Administration stated that it prioritized the deployments of troops in missions based on requirements to protect civilians when demanded by the mandate, while ensuring operational sustainability. Deployments are regularly reviewed on the basis of changes to the mandate and operational requirements. While stymied by the COVID-19 pandemic, the Administration continued its efforts to reduce any time lag in reviews and redeployments, and to support missions in reducing the duration of such rare instances. The specific case mentioned by the Board concerned a limited number of troops in one mission, and was resolved, as communicated in the report of the Secretary-General on the implementation of the recommendations of the Board (A/74/709). The Administration considers this recommendation implemented.	MINUSCA did not conduct enough patrols to protect civilians. This recommendation is considered not implemented.			X

¹ MONUSCO reference: SRSB-DMS-2020-01472, 18 November 2020.

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15.	2019	A/74/5 (Vol. II), chap. II, para. 141	The Board recommends that the Administration support missions in ensuring that they have the units and equipment they need.	The Administration stated that it continued to actively support missions in ensuring that they have the units and equipment they need. This commitment has been further demonstrated during the COVID-19 pandemic, with mechanisms put in place to ensure that necessary capabilities in units and equipment can be retained at maximum levels in spite of the crisis. The Administration considers this recommendation implemented.	MINUSMA found severe shortfalls in 28 military contingents, degrading the effectiveness of its force, a helicopter unit at MONUSCO was unable to perform main operational tasks and UNISFA used civilian helicopters that could not fully perform as required. The Administration has not adequately supported missions in ensuring that they have the units and equipment they need. This recommendation is considered not implemented.			X		
Administration of troop contributions										
16.	2019	A/74/5 (Vol. II), chap. II, para. 157	The Board recommends that the Administration establish appropriate key performance indicators for the Uniformed Capabilities Support Division to ensure that it prepares the memorandums of understanding with troop- or police-contributing countries and the amendments on a timely basis.	The recommendation has been implemented. The Administration notes that key performance indicators are being used to track and report on the status of memorandums of understanding. The Administration also notes that clear progress has been made on the internal process of preparing and amending memorandums of understanding. However, the Administration does not have the ability to enforce the signing of memorandums of understanding and amendments by troop- and police-contributing countries. The Uniformed Capabilities Support Division has incorporated three comparative metrics to provide additional information on: (a) the percentage of formed units deployed to peacekeeping missions without a signed memorandum of understanding; (b) the average number of days (after deployment) to sign memorandums of understanding for contingents deployed to new, expanding and existing missions; and (c) the percentage of amendments to memorandums of understanding transmitted	This recommendation is considered implemented.			X		

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17.	2019	A/74/5 (Vol. II) , chap. II, para. 159	The Board recommends that the Administration engage with the troop- or police-contributing countries to minimize the backlog of pending memorandums of understanding and amendments.	to troop- and police-contributing countries within 30 days of receiving clearance to proceed. In addition, the Uniformed Capabilities Support Division maintains a table on the status of standard memorandums of understanding to provide critical information on the number of signed and unsigned memorandums of understanding, and tracks the location of pending memorandums of understanding (e.g., pending with United Nations Headquarters, field missions or permanent missions) with a view to taking appropriate follow-up actions.	The Administration has engaged with troop- and police-contributing countries to minimize the backlog of pending memorandums of understanding and amendments which resulted in the reduction of outstanding memorandums of understanding from 31 in 2018/19 to 10 as of May 2020. The Administration wishes to note that a memorandum of understanding is deemed binding, valid and operational when it is signed by both parties: the troop- and police-contributing country and the Organization. In line with accepted practice, the Under-Secretary-General for Operational Support signs two copies of the mutually agreed memorandum of understanding, which are then transmitted to the troop- and police-contributing country for signature. The formal signing process for memorandums of understanding ends when the memorandum of understanding is signed by the troop- and police-contributing country and one copy is returned to the Secretariat. The end-to-end memorandum of understanding process may be categorized into three broad steps: pre-memorandum of understanding negotiations, memorandum of understanding negotiations and the	This recommendation is considered implemented.	X		

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification		
						Implemented	Under implementation	Not implemented
				finalization of memorandums of understanding. The Uniformed Capabilities Support Division actively coordinates with Headquarters and field mission stakeholders to minimize any delays within each of these steps. Delays may also arise in each of the three steps owing to the requirement for decisions, concurrence (informal and formal) and signatures from troop- and police-contributing countries. Such delays may occur, in part, from sovereign protocols requiring decisions/ concurrence from national executive or legislative bodies in the respective capitals of the troop- and police-contributing countries. In accordance with the established key performance indicator, a memorandum of understanding should take no more than 90 days from the date of deployment to be finalized. The current average duration for finalizing memorandums of understanding of deployed units for 2019/20 is 78 days, which is a reduction in the duration of finalizing memorandums of understanding from the previous reporting period (2018/19) of 47 per cent.				
18.	2019	A/74/5 (Vol. II), chap. II, para. 166	The Board recommends that the Administration implement the troop-strength reporting and reimbursement functions of the Umoja uniformed capabilities management module as soon as possible.	The Administration stated that the recommendation is in the process of implementation. The troop-strength reporting module of the Umoja uniformed capabilities management solution is currently in the final design stages, as is the claims and calculations module, and both are on target to be completed on time.	The Board noted that the roll-out of the troop-strength reporting module has already been scheduled and considers this recommendation implemented.	X		
19.	2019	A/74/5 (Vol. II), chap. II, para. 167	The Board recommends that the Administration develop a uniformed capabilities management users' manual for missions and provide training.	The Administration stated that the recommendation is in the process of implementation. The target date for implementation was the fourth quarter of 2020, but the project is still in process, as the provision of the training has been impacted by COVID-19.	This recommendation remains under implementation.		X	

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
20.	2019	A/74/5 (Vol. II), chap. II, para. 179	The Board recommends that the Administration analyse the reasons for deductions and remind the troop- and police-contributing countries to meet the requirements of the memorandum of understanding.	The Administration stated that the Under-Secretary-General for Operational Support has sent letters on a quarterly basis to all countries that are underperforming. Evidence in the form of supporting documentation has been provided by the Administration.	This recommendation is considered implemented.	X			
21.	2019	A/74/5 (Vol. II), chap. II, para. 180	The Board recommends that the Administration enforce deductions in troop reimbursements without delay.	The Administration stated that the recommendation has been implemented. As previously mentioned by the Administration in earlier comments, the timelines for the signature of memorandums of understanding are being shortened. In addition, with the migration of the contingent-owned equipment process into the Uniformed Capabilities Management System, which now integrates the verification process into the contingent-owned equipment calculation, calculations of the deductions to troop costs are automatically generated during the quarterly claims processing and can be applied to troop costs more quickly, as opposed to the previous manual process.	This recommendation is considered implemented.	X			
Comprehensive planning and performance assessment system									
22.	2019	A/74/5 (Vol. II), chap. II, para. 189	The Board recommends that the Administration develop a generic mission strategic planning cell structure, representing key mandate implementation staff and possibly the resident coordinator.	The Administration stated that it had completed a desk review and survey of planning structures and capacity in all peacekeeping operations, and that the ensuing recommendations would result in consultations at Headquarters and in the field. The Administration would then develop a generic mission strategic planning cell structure based on these inputs, adaptable to the different sizes and scopes of mission mandates.	The Board acknowledges that the Administration has completed several steps to implementing the recommendation. This recommendation remains under implementation.		X		
23.	2019	A/74/5 (Vol. II), chap. II, para. 190	The Board recommends that the Administration promote the use of the comprehensive performance assessment	The Administration stated that it had completed consultations with missions and Headquarters and was currently reaching out to mission leadership. The Administration was also developing	The Administration has completed consultations with missions and Headquarters. This recommendation is considered implemented.	X			

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification		
						Implemented	Under implementation	Not implemented
			system by mission senior management.	Comprehensive Planning and Performance Assessment System products specifically tailored to the needs of mission senior management and leadership. The Administration will continue to seek feedback from mission managers and leadership on their needs in order to refine these products and develop additional tools to support effective mandate implementation.				
United Nations reforms								
24.	2019	A/74/5 (Vol. II) , chap. II, para. 201	The Board recommends that the Administration provide service centre staff with the necessary delegations of authority for servicing clients.	The delegations of authority for staff in the Department of Operational Support, including RSCE, in human resources business partner roles and in travel roles were issued in June 2020 through the Umoja portal.	This recommendation is considered implemented.	X		
25.	2019	A/74/5 (Vol. II) , chap. II, para. 202	The Board recommends that the Administration extend the delegation of authority portals' functionalities to specify and limit subdelegations to ensure that the staff member who receives subdelegations is aware of the scope.	The list of potential enhancements for the delegation portal was finalized and is under review to ensure technical feasibility. The enhancements identified take into account the observations of the Board that the portal had a limited ability to specify and limit subdelegations of authority issued for the functional areas. This specific enhancement is technically complex, and is planned for implementation by June 2021.	This recommendation remains under implementation.		X	
26.	2019	A/74/5 (Vol. II) , chap. II, para. 216	The Board recommends that Headquarters and missions conduct a comprehensive review of roles assigned in Umoja to ensure that the Umoja roles provisioned match the latest stipulations of the Umoja roles guide/security liaison officer workbook, the active staff list and the authorities delegated.	The Business Transformation and Accountability Division implemented monitoring of the alignment of Umoja roles and subdelegations in the relevant functional areas in support of entities who have to conduct the periodic reviews referred to in the recommendation. In compliance with the latest stipulations of the Umoja roles guide/security liaison officer workbook, as well as by checking that roles are granted only to active staff, Umoja has recently created two processes that generate reports to allow security liaison officers to identify breaches in the segregation of duties among roles	The Board acknowledges the implementation of quarterly reviews to ensure that only active staff members receive Umoja roles and that no conflicting roles are provisioned. However, the Board reviewed all Umoja roles provisioned that require delegations of authority in the Departments of Management Strategy, Policy and Compliance, Operational Support and Peace Operations and found		X	

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
27.	2019	A/74/5 (Vol. II), chap. II, para. 217	The Board recommends that Headquarters departments support entities in establishing a control mechanism for Umoja roles, in particular to check roles against the latest stipulations of the Umoja roles guide/security liaison officer workbook, active staff list and authorities delegated.	The Business Transformation and Accountability Division implemented monitoring of the alignment of Umoja roles and subdelegations in the relevant functional areas in support of entities who have to conduct the periodic reviews referred to in the recommendation. In compliance with the latest stipulations of the Umoja roles guide/security liaison officer workbook, as well as by checking that roles are granted only to active staff, Umoja has recently created two processes that generate reports to allow security liaison officers to identify breaches in the segregation of duties among roles provisioned to personnel within each entity and to check that only active staff retain Umoja roles. A reminder to run the two reports (a quarterly access validation report and a quarterly segregation of duties report) and take corrective actions is sent to all security liaison officers on a quarterly basis by Umoja.	missing delegations of authority for Umoja roles in all functional areas in all three departments. This recommendation remains under implementation (see para. 98 ff. in chap. II above). This recommendation is considered implemented.		X		
28.	2019	A/74/5 (Vol. II), chap. II, para. 231	The Board recommends that the Administration analyse which data are necessary for the comprehensive monitoring of the exercise of delegated authorities, take stock of how these aspects are currently recorded and identify changes needed.	The Administration plans to expand the monitoring of authorities exercised by entities based on data available in enterprise systems and, when unavoidable, through self-reporting. An additional 11 key performance indicators are being discussed with the business owners in the functional areas for inclusion in the accountability framework.	This recommendation remains under implementation.			X	

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification		
						Implemented	Under implementation	Not Overtaken by events
29.	2019	A/74/5 (Vol. II) , chap. II, para. 242	The Board recommends that the Administration propose new financing arrangements for peacekeeping support, namely, the departments at Headquarters, RSCE and UNLB, to reflect that UNLB and RSCE are subordinate to the Department of Operational Support, which provides services to the whole Secretariat after the management reform.	The Administration submitted a proposal (A/74/761) to establish a new funding model for the Department of Management Strategy, Policy and Compliance and the Department of Operational Support. That report remains before the General Assembly for its consideration.	This recommendation remains under implementation.		X	
30.	2019	A/74/5 (Vol. II) , chap. II, para. 249	The Board recommends that the Administration establish indicators to monitor and verify that the peace and security pillar reform is implemented to achieve the goals laid down in the report of the Secretary-General dated 1 March 2018 (A/72/772), especially regarding the goal to enhance the effectiveness and coherence of peacekeeping operations and special political missions.	The Administration stated that the benefit initiatives were now accompanied by outputs and qualitative or quantitative indicators, closely aligned to the Action for Peacekeeping initiative and other departmental planning documents, that measure the desired benefit.	The Administration has established the requested indicators. This recommendation is considered implemented.	X		
Human resources management								
31.	2019	A/74/5 (Vol. II) , chap. II, para. 261	The Board recommends that the Administration, together with the peacekeeping missions and RSCE, develop a common strategy for maintaining files for international staff and national staff ensuring that clear instructions and guidance are given, relevant documents are available, verified and checked for completeness and ideally are accessible by all	The Administration stated that it could not check and verify historic files for completeness. The Administration stated that the administrative instruction was under preparation and would provide the policy on documents required to be maintained for all staff. Also, the Administration was implementing changes to the records management system in Unite Docs.	The Administration drafted a new administrative instruction on "Official status files" that includes the electronic maintenance of documents. This recommendation is considered implemented.	X		

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
			stakeholders, namely, through an electronic records management system.						
32.	2019	A/74/5 (Vol. II), chap. II, para. 269	The Board recommends that the Administration document the entire recruitment process of temporary appointments in Inspira and Umoja; the documentation should include all necessary data, especially the justification of the need for a temporary appointment and the reasons for its extension.	As part of the process improvement review for staff selection, attention will be given to documentation requirements to ensure that all necessary data remains available and accessible where it is most appropriate.	In the absence of any visible progress, this recommendation is considered not implemented.			X	
33.	2019	A/74/5 (Vol. II), chap. II, para. 283	The Board recommends that the Administration ensure that officials with delegation of authority base their selection decision on an assessment of how and to what extent the applicants' competencies meet the requirements, and record both the comparative analysis and the selection decision in the system.	The Department of Management Strategy, Policy and Compliance concurred with the comments from the Department of Operational Support (see A/74/5 (Vol. II), chap. II) and will coordinate a communication to all heads of entities to ensure that adequate information is recorded to support each selection decision. Candidates are subject to a competency-based interview. A comparative analysis report is prepared on each of the candidates. The central review bodies review the proposals for the filling of vacancies to ensure that the candidates were evaluated on the basis of the corresponding evaluation criteria and that the applicable procedures were followed, in accordance with the staff selection system.	In the absence of any visible progress, this recommendation is considered not implemented.			X	
34.	2019	A/74/5 (Vol. II), chap. II, para. 294	The Board recommends that the Administration ensure that the duration of temporary appointments is in accordance with human resources policies.	The Administration concurred with the recommendation. It added that an internal control mechanism to monitor exceptions to the administrative instruction had already been implemented. In practice, the departments report any exception granted by the head of entity or other responsible party in respect of the delegation of authority to the Department of Management Strategy, Policy and Compliance.	The Board updated its findings and issued new recommendations (see paras. 202 and 209 in chap. II above). This recommendation is considered to have been overtaken by events.				X

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification				
						Implemented	Under implementation	Not implemented	Overtaken by events	
35.	2019	A/74/5 (Vol. II), chap. II, para. 311	The Board recommends that the Administration base its post requirements on a baseline assessment of functions performed and enhance the documentation of approved posts.	The Administration has mechanisms in place already and it requests the closure of this recommendation. To provide the legislative bodies with sufficient information on human resources planning, reports of the Secretary-General clearly link human resources needs with expected accomplishments and outputs. Missions are requested to adopt a forward-looking approach that focuses on concrete staffing strategies for realizing a number of accomplishments by delivering related key outputs.	The Administration provided annex IV to the performance and budget preparation guide. The Board intends to review whether missions and service centre have implemented the provisions of annex IV. This recommendation remains under implementation.		X			
Supply chain management										
36.	2019	A/74/5 (Vol. II), chap. II, para. 323	The Board recommends that the Administration analyse benefits and weaknesses of the last three annual demand plans to develop a long-term demand forecasting and sourcing plan in accordance with the results-based budgeting framework.	The Administration concurred with the recommendation and stated that it had already taken actions during the 2019/20 fiscal year towards long-term forecasting of the global supply chain demand. The end-state solution for the recommended processes would be achieved through systematic engagement with all clients, as well as through Umoja solutions for demand planning and supply network planning that are currently under development.	In addition to the Administration's response, the documents provided can be considered sufficient evidence for the implementation of the recommendation. This recommendation is considered implemented.		X			
37.	2019	A/74/5 (Vol. II), chap. II, para. 345	The Board recommends that the Administration establish a review and quality control mechanism for procurement, including acquisition, to ensure that procurement is justified in terms of economy and effectiveness, the statement of requirements and technical specifications reflect and do not exceed the actual need, and the evaluation procedure is suited to and the most efficient at identifying the best offer.	The recommendation is in the process of implementation. The Administration established a group to improve and streamline procurement and property management, which will address the weaknesses mentioned with regard to a quality control mechanism.	The Administration informed the Board that a group to improve and streamline procurement and property management was established to solve the weaknesses mentioned with regard to a quality control mechanism. The Board holds that the Administration should share supporting documents regarding the efforts of the group. This recommendation remains under implementation.		X			

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
38.	2019	A/74/5 (Vol. II), chap. II, para. 353	The Board recommends that the Administration ensure international competition by soliciting Internet capacity services and by analysing the market and alternative solutions for transponder capacity.	The Department of Operational Support and the Procurement Division stated that the recommendation is in the process of implementation. The Administration launched a request for information procurement exercise for satellite capacity to survey the market. On the basis of the responses received from the request for information, the Administration is developing a statement of work to conduct a solicitation process. The target for implementation of the recommendation remains the first quarter of 2021. The Office of Information and Communications Technology is currently engaged in the market and demand analysis process: (a) Satellite capacity: a statement of work is being prepared (first draft completed, now in final revision) by the satellite team at the Global Service Centre. The request for information will be submitted to the market in the first quarter of 2021; (b) Internet capacity by way of satellites: the Office is in the requirement gathering process and has completed a first draft. As mentioned above, the request for information will be submitted to the market in the first quarter of 2021.	The process is ongoing. This recommendation remains under implementation.		X		
39.	2019	A/74/5 (Vol. II), chap. II, para. 363	The Board recommends that the Administration ensure that, in cases in which air operators fail to meet the financial criteria for registration, the electronic Special Approval Committee take into account the interdependencies between the financial position of the company and the safety of its air operations, document	The Administration is reviewing the technical and financial evaluation criteria for the registration of air operators. Each case in which air operators fail to meet the financial criteria for registration is being reviewed by the electronic Special Approval Committee on its own merits following a very robust technical evaluation done by the Aviation Safety Section.	The process is ongoing. This recommendation remains under implementation.		X		

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification				
						Implemented	Under implementation	Not implemented	Overtaken by events	
			the assessment and its result and limit special approvals to exceptional cases.							
40.	2019	A/74/5 (Vol. II), chap. II, para. 364	The Board recommends that the Administration train back-up staff for the joint technical vendor registration of the air operator's registration procedure.	The Aviation Safety Section is on track to implement with the planned Cadre of Technical Vendors Registration Auditors project.	The Board was not provided with sufficient evidence to support this statement. This recommendation remains under implementation.		X			
Locations closure										
41.	2019	A/74/5 (Vol. II), chap. II, para. 389	The Board recommends that the Administration ensure that heads of field units stay at their posts and remain responsible for the closure of their units.	The Administration convened a seminar in February 2020 to capture lessons learned from the closure of MINUJUSTH. Recommendations regarding ways to retain or reinforce staff working on a mission closure are expected to be finalized in the first quarter of 2021.	This recommendation remains under implementation.		X			
42.	2019	A/74/5 (Vol. II), chap. II, para. 390	The Board recommends that the Administration ensure that documents on the closure of field units be certified in written form and include all decisions to sell, transfer, gift or donate assets; record the signatures and offices of the recipients of these assets and detail the monetary impact; and conclude a document on lessons learned for further closure of locations.	The Administration stated that all decisions on disposal of assets were approved through the delegation of authority, the Local Property Survey Board or the Headquarters Property Survey Board. These decisions were based on physical inventory checks and technical inspections which, in turn, formulated the asset disposal plan for the mission. Receipts for assets disposed through the various disposal methods concerning sales, gifting, transfers or sales to United Nations country teams or any other disposal method were recorded, documented and archived. All revenue received through commercial sales, sale to United Nations country teams or for scrap is recorded through the procurement and finance functions. For all liquidating missions, lessons learned were highlighted in the end-of-mission reports.	The Administration did not provide sufficient evidence of certification in written form. This recommendation remains under implementation.		X			

No.	Audit report year	Report reference	Recommendation of the Board	Management response	Assessment of the Board	Status after verification			
						Implemented	Under implementation	Not implemented	Overtaken by events
43.	2019	A/74/5 (Vol. II), chap. II, para. 395	The Board recommends that the Administration ensure that disposals are compliant with regulation 5.14 of the Financial Regulations and Rules of the United Nations and are authorized.	The Administration stated that, with regard to United Nations reserve inventory, additional compliance measures had been taken with the re-establishment of a post of Property Management Officer and the subsequent issuance of subdelegations. This will further strengthen the internal compliance of write-offs of United Nations reserves after proper written documentation has been provided. With regard to future virtual transfers to United Nations reserves, regular risk assessments will be made and service level agreements will be created to mitigate risks and minimize ex post facto cases of write-offs. Headquarters is engaged in providing support and ongoing advice to downsizing and liquidating missions and developing further policy guidance related to the disposal of assets, including on the application of regulation 5.14.	This recommendation remains under implementation.		X		
Subtotal, 43 recommendations (percentage)						16 (38)	22 (51)	4 (9)	1 (2)
Total, 116 recommendations (percentage)						42 (36)	52 (45)	7 (6)	15 (13)

Chapter III

Certification of the financial statements

Letter dated 23 September 2020 from the Controller addressed to the Chair of the Board of Auditors

The financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 2019 to 30 June 2020 have been prepared in accordance with financial rule 106.1 of the Financial Regulations and Rules of the United Nations.

The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information and clarification for the financial activities related to peacekeeping operations undertaken by the Organization during the period covered by these statements, for which the Secretary-General has administrative responsibility.

I certify that the appended financial statements of the United Nations peacekeeping operations, numbered I to V, are correct in all material respects.

(Signed) Chandramouli **Ramanathan**
Assistant Secretary-General, Controller

Chapter IV

Financial report on the United Nations peacekeeping operations for the period from 1 July 2019 to 30 June 2020

A. Introduction

1. The Secretary-General has the honour to submit the financial report on the operations of United Nations peacekeeping for the period from 1 July 2019 to 30 June 2020.
2. The accounts of the United Nations peacekeeping operations are presented in five financial statements and notes that provide a summary of significant accounting policies as well as explanations of the amounts presented in the financial statements.
3. Although the present financial report is not part of the Organization's financial statements, it is designed to be read in conjunction with them. It presents an overview of the consolidated position and performance of the peacekeeping operations, highlighting trends and significant movements.
4. During the second half of the 2019/20 fiscal year, peacekeeping operations were affected by COVID-19. On 11 March 2020, the novel coronavirus disease was declared a global pandemic by WHO. The impact on peacekeeping operations was noted through the reduced expenditure levels reported in the financial statements. Troop rotations were restricted until the end of June and interactions with local populations minimized. However, given that the declaration of the pandemic was made towards the last quarter of the reporting period, the immediate adverse impact was not material. The financial assets of peacekeeping operations, including cash pool investment, inventory and property, plant and equipment, have not been undermined by COVID-19 and the supply chain disruption that arose from the pandemic. While COVID-19 has presented uncertainty for the timely collection of assessed contributions, a large impact on the overall revenue was not observed during the reporting period.

B. Overview of the financial statements for the period from 1 July 2019 to 30 June 2020

5. The financial statements of the United Nations peacekeeping operations comprise five statements and notes to the financial statements. The statement of financial position, the statement of financial performance, the statement of changes in net assets, the statement of cash flows and the statement of comparison of budget and actual amounts are accompanied by notes that explain the accounting and financial reporting policies and provide additional information on the individual amounts contained in the statements.
6. These statements present the financial results of the peacekeeping operations, comprising 13 active missions, 33 closed missions and 6 groups of support activities, and the financial position as at 30 June 2020. MINUJUSTH completed its operations and UNAMID continued to downsize during the year.

Liquidity

7. The liquidity assessment reviews the adequacy of cash assets at the mission's disposal to settle its immediate obligations at a certain point in time. Cash assets comprise cash, cash equivalent and cash pool investments, both current and long term.
8. Table IV.1 summarizes the ratio of cash assets to current liabilities for active peacekeeping missions as a measure of liquidity and provides a comparison with

30 June 2019. There was a slight improvement in the liquidity of active missions, compared with the previous year. The improvement in liquidity ratio is attributed to the increase in cash assets (\$256.6 million, or 31.6 per cent), which outpaced the increase in current liabilities (\$219.9 million, or 10.2 per cent). The increase in cash assets is attributable mostly to the increase in the payables to troop-contributing countries by \$221.4 million.

9. The periodic cash shortage in MINURSO and UNMIK persisted in 2019/20. After the restriction on the cross-borrowing of cash for active missions had been removed, the two missions borrowed from another active mission, MINUSMA. The loans payable as at 30 June 2020 in MINURSO and UNMIK were \$15.0 million and \$30.0 million, respectively (2018/19: \$15.0 million and \$28.8 million), bringing the total outstanding cross-borrowings as at 30 June 2020 to \$45.0 million (2018/19: \$43.8 million). At the end of June 2020, the liquidity of UNSOS was very low and the mission had to borrow \$35.0 million from MINUSMA in July 2020, although it paid the loan back in the same month.

Table IV.1

Ratio of liquid assets to current liabilities as at 30 June 2020: active missions

(Millions of United States dollars)

	<i>Cash assets</i>	<i>Current liabilities</i>	<i>Ratio of cash assets to liabilities</i>	
			<i>30 June 2020</i>	<i>30 June 2019</i>
UNFICYP	11.5	14.2	0.81	0.09
UNDOF	31.9	26.9	1.19	1.41
UNIFIL	196.4	226.7	0.87	0.92
MINURSO	6.0	22.4	0.27	0.05
UNMIK	2.7	34.6	0.08	0.01
MONUSCO	90.6	365.2	0.25	0.03
MINUJUSTH	5.7	29.4	0.19	0.06
UNAMID	30.4	233.8	0.13	0.24
UNSOS	4.7	200.5	0.02	0.40
UNISFA	36.7	73.0	0.50	0.49
UNMISS	64.5	343.3	0.19	0.20
MINUSMA	315.5	448.4	0.70	0.59
MINUSCA	271.9	363.6	0.75	0.79
Total	1 068.5	2 382.0	0.45	0.38

10. In respect of the support activities segment, the ratio of cash assets to current liabilities increased from 2.18 at 30 June 2019 to 2.44 at 30 June 2020. The Regional Support Centre in Entebbe reported a cash deficit of \$0.5 million as at 30 June 2020. However, the cash deficit occurred only on the financial statements as a result of accrued expenses recorded after the reporting date. The actual cash position remained positive.

Net assets

11. Net assets of \$502.7 million as at 30 June 2020 consisted of an accumulated surplus of \$241.3 million, a restricted accumulated surplus of \$111.4 million and reserves of \$150.0 million. Net assets increased in 2019/20 by \$212.4 million, from \$290.3 million as at 30 June 2019 (73.2 per cent increase). The increase was due to

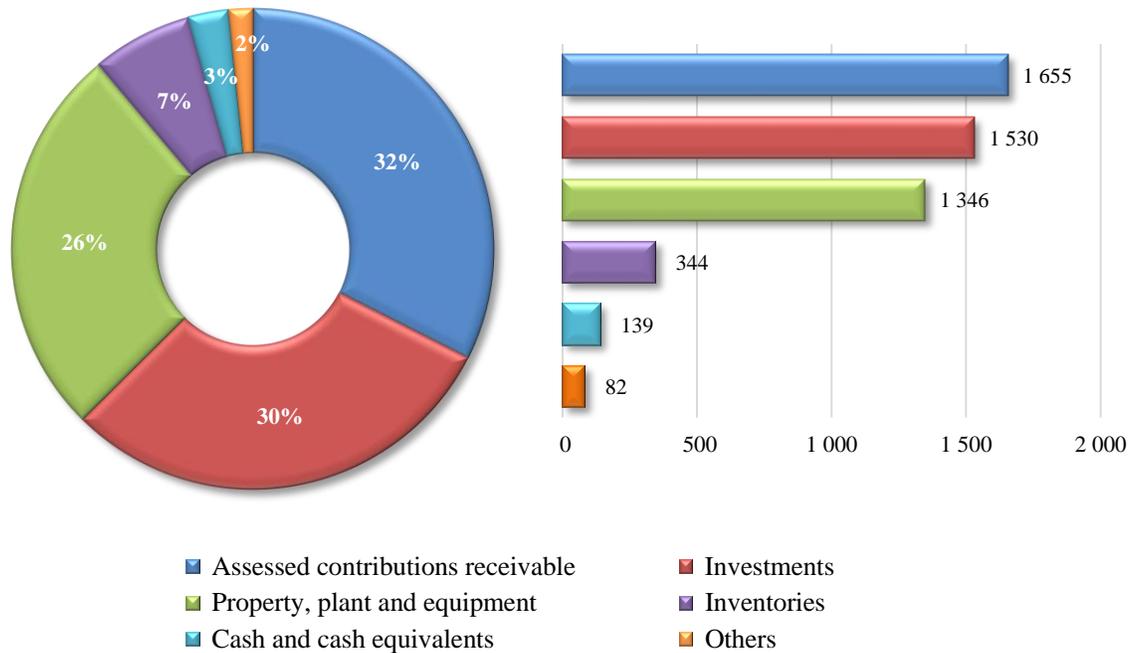
actuarial gains of \$208.8 million on employee benefits liabilities and surplus in operations of \$3.6 million for the year.

Assets

12. The total assets of the peacekeeping operations increased in 2019/20 by \$345.0 million (7.3 per cent increase), from \$4,751.6 million to \$5,096.6 million. Investments increased by \$300.4 million (24.4 per cent increase, from \$1,229.5 million to \$1,529.9 million); assessed contributions receivable by \$172.2 million (11.6 per cent increase, from \$1,482.6 million to \$1,654.8 million); cash and cash equivalents by \$60.8 million (77.3 percent increase, from \$78.7 million to \$139.5 million); and inventories by \$11.0 million (3.3 per cent increase, from \$333.2 million to \$344.2 million). The increase was offset slightly by a decrease in property, plant and equipment by \$199.4 million (12.9 per cent decrease, from \$1,545.7 million to \$1,346.3 million).

13. Figure IV.I presents the structure of the peacekeeping operations’ assets totalling \$5,096.6 million as at 30 June 2020. The peacekeeping operations’ assets are composed in large part of assessed contributions receivable of \$1,654.8 million (32.5 per cent); investments of \$1,529.9 million (30.0 per cent); and property, plant and equipment of \$1,346.3 million (26.4 per cent).

Figure IV.I
Assets of the peacekeeping operations as at 30 June 2020
 (Millions of United States dollars and percentage)



Property, plant and equipment

14. Figure IV.II presents the composition of the peacekeeping operations’ property, plant and equipment by asset class and figure IV.III the information by mission.

15. The net carrying value of property, plant and equipment decreased by \$199.4 million (12.9 per cent decrease) in 2019/20, from \$1,545.7 million to \$1,346.3 million.

Figure IV.II
Property, plant and equipment
 (Millions of United States dollars and percentage)

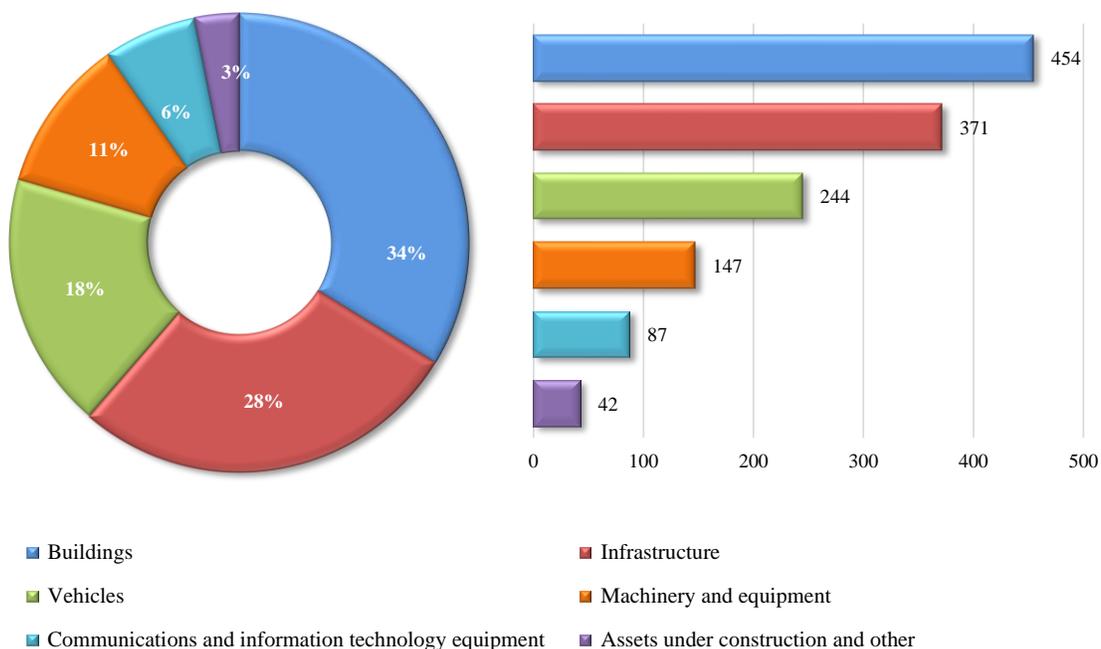
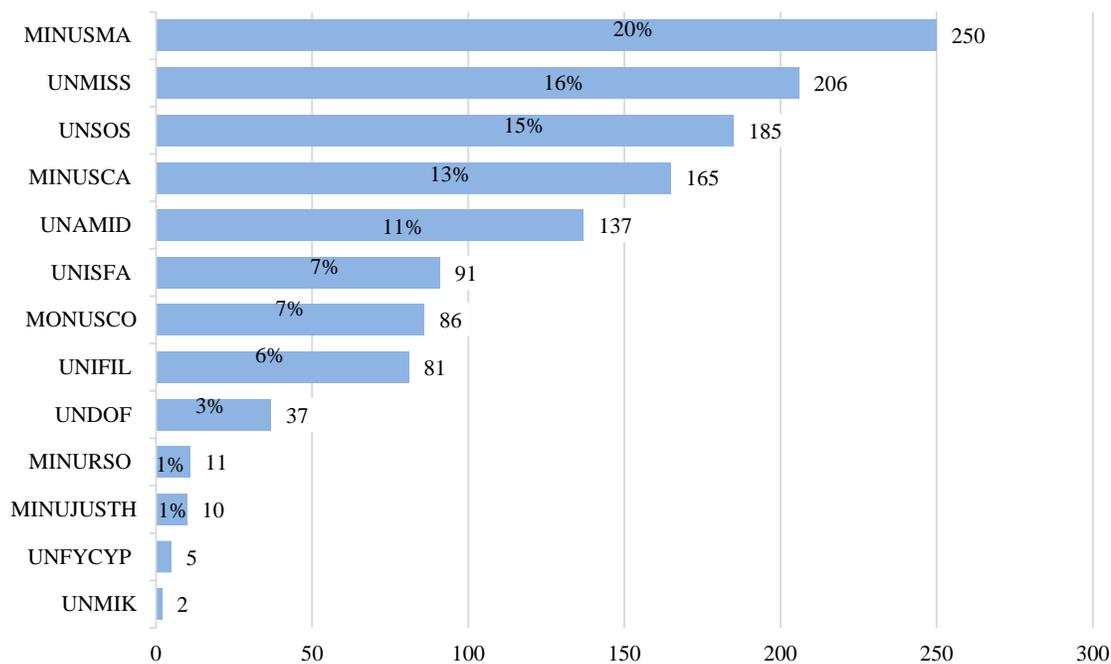


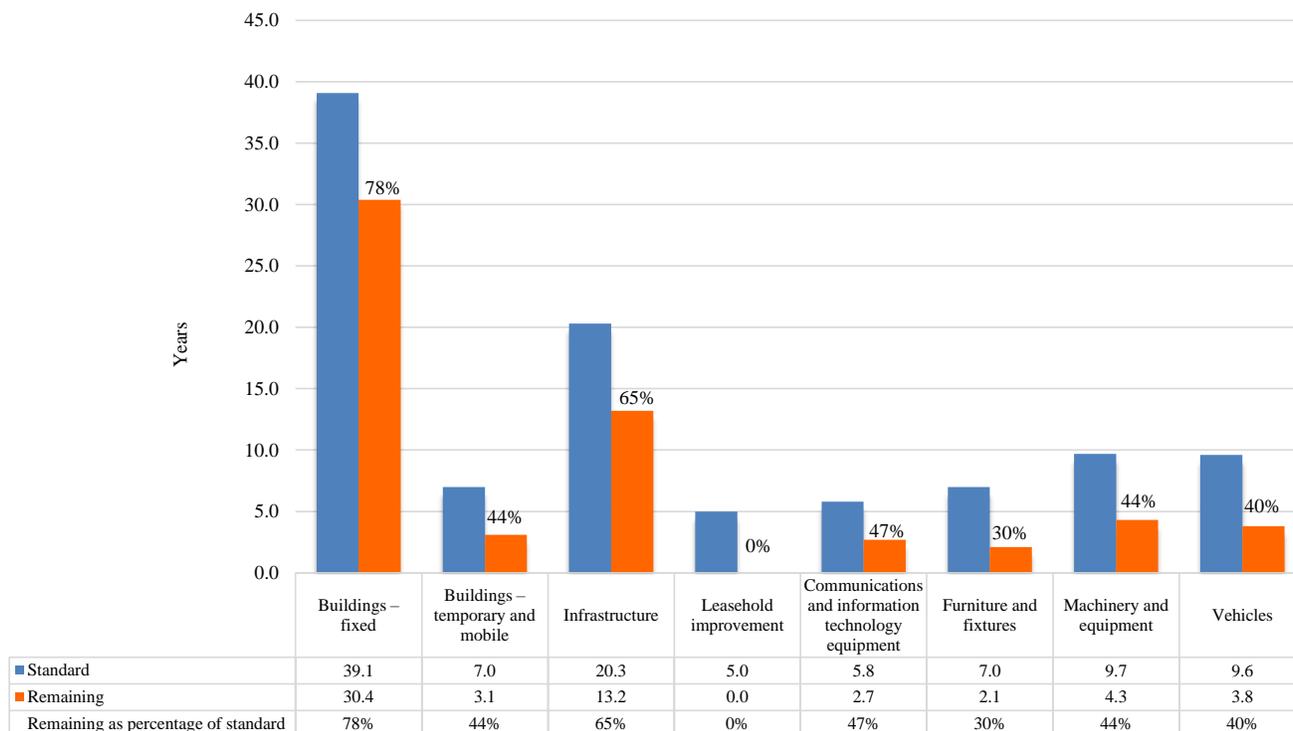
Figure IV.III
Property, plant and equipment by active mission
 (Millions of United States dollars and percentage)



16. The remaining years of useful life as a percentage of the standard useful life of assets classes are shown in figure IV.IV. Furniture and fixtures and vehicles have a low percentage (30 per cent and 40 per cent, respectively), which indicates a material presence of long-lived assets.

Figure IV.IV
Average remaining useful life of property, plant and equipment

(Years and percentage)



Inventory

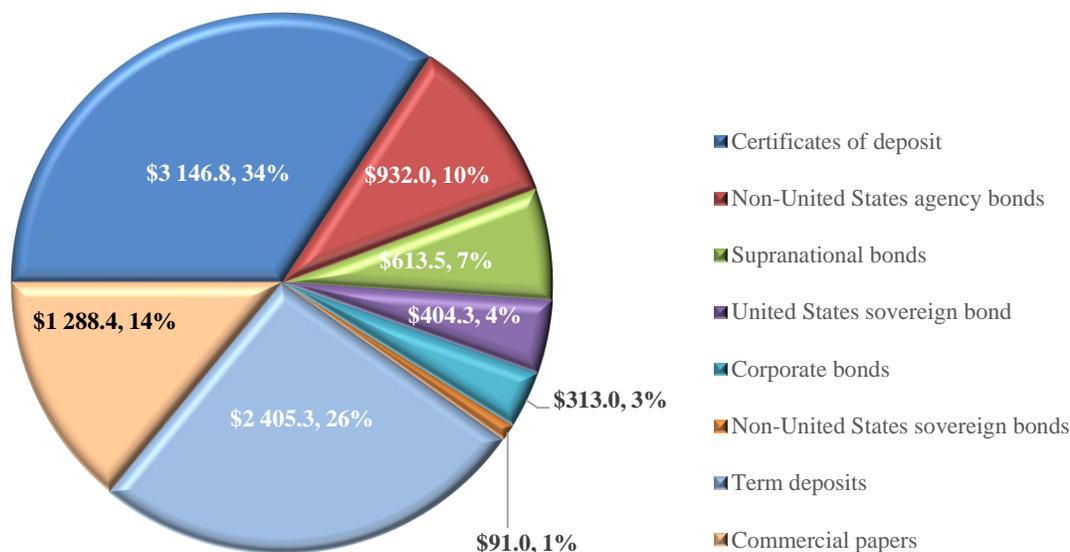
17. Missions continued to make progress in inventory-counting and -controlling activities, such as the elimination of multiple items under the same product identification code, improvements in inventory valuation and the reduction in the use of generic product codes in the procurement process. The increased accuracy in inventory records will lead to improvements in the management and financial reporting of inventory. The level of inventory increased in 2019/20 by \$11.0 million (3.3 per cent increase), to \$344.2 million

Cash, cash equivalents and investments

18. As at 30 June 2020, peacekeeping operations held cash and cash equivalents and investments of \$1,669.4 million, \$361.2 million more than the ending balance of 2018/19 (27.6 per cent increase).

19. The cash pools consisted of investments in certificates of deposit, liquid bonds (issued by Governments and government agencies), commercial papers and term deposits (see figure IV.V). The investments were presented at fair value with the relevant gains/losses recorded in the statement of financial performance. In 2019/20, the peacekeeping operations' share of earnings was \$48.9 million (2018/19: \$48.9 million).

Figure IV.V
Main cash pool investments by instrument type
(Millions of United States dollars and percentage)



Total cash pool: \$9,194.2 million

20. The Organization's exposure to credit risks, liquidity risks and market risks with respect to its investment portfolios is considered low.

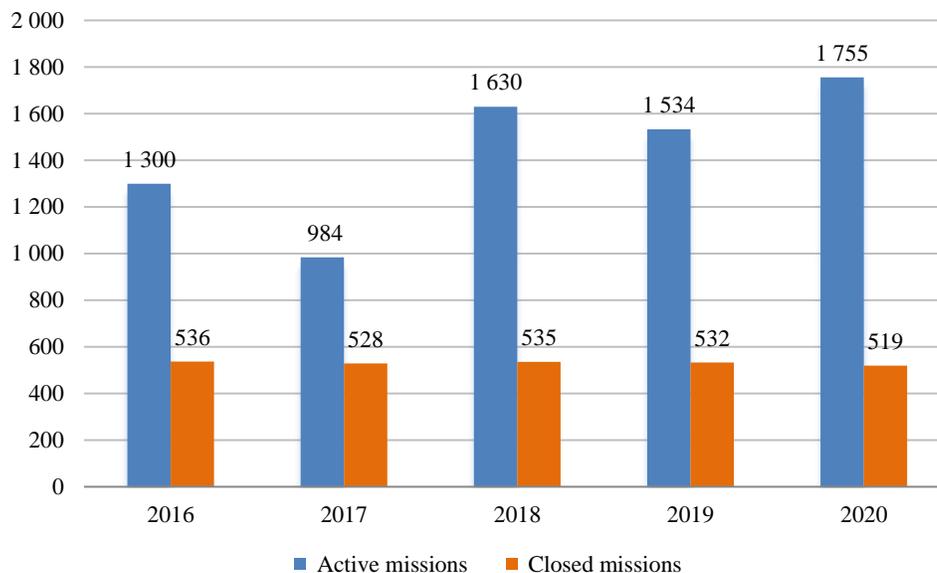
Status of assessed contributions receivable

21. Assessed contributions receivable increased by \$172.2 million (11.6 per cent increase), from \$1,482.6 million as at 30 June 2019 to \$1,654.8 million as at 30 June 2020. Table IV.2 illustrates the status of unpaid assessments and figure IV.VI shows the trend in unpaid assessments.

Table IV.2
Assessed contributions receivable
(Millions of United States dollars and percentage)

	30 June 2020	30 June 2019	Percentage increase (decrease)
Active missions			
Assessed contributions receivable	1 755.2	1 533.5	14.5
Allowance for doubtful receivables	(100.4)	(56.6)	77.4
Closed missions			
Assessed contributions receivable	518.8	532.2	(2.5)
Allowance for doubtful receivables	(518.8)	(526.5)	(1.5)
Total	1 654.8	1 482.6	(11.6)

Figure IV.VI
Trend in assessed contributions receivable, before allowance for doubtful accounts
 (Millions of United States dollars, at 30 June each year)

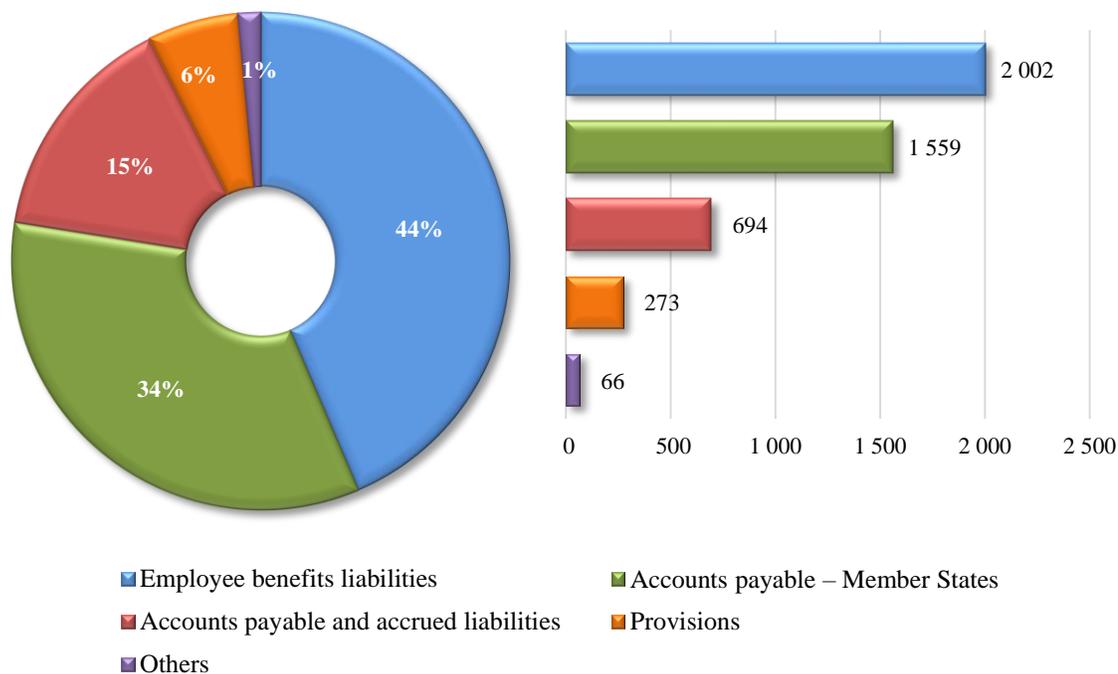


Liabilities

22. The total liabilities of the peacekeeping operations recorded an increase of \$132.6 million (3.0 per cent increase), from \$4,461.3 million to \$4,593.9 million. The most notable changes were an increase in accounts payable to Member States by \$221.4 million, from \$1,337.6 million to \$1,559.0 million (16.6 per cent increase), and provisions by \$39.4 million, from \$233.7 million to \$273.1 million (16.9 per cent increase). However, the increase in total liabilities was offset in part by the decrease in employee benefits liabilities by \$90.4 million (4.3 per cent decrease), from \$2,092.6 million to \$2,002.2 million, and a decrease in advance receipts of assessed contributions by \$20.9 million (75.5 per cent decrease), from \$27.7 million to \$6.8 million.

23. Figure IV.VII presents the structure of the peacekeeping operations' liabilities as at 30 June 2020. The liabilities comprised in large part employee benefits liabilities of \$2,002.2 million, accounts payable to Member States of \$1,559.0 million and other accounts payable and accrued liabilities of \$693.6 million.

Figure IV.VII
Liabilities as at 30 June 2020
 (Millions of United States dollars and percentage)

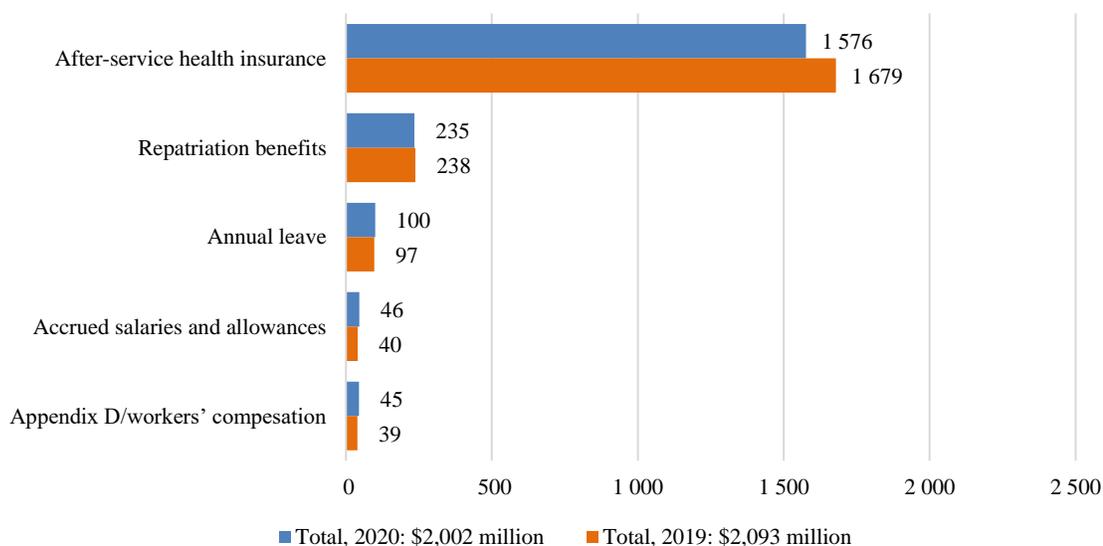


Employee benefits liabilities

24. Employee benefits liabilities, as depicted in figure IV.VIII, consisted largely of liabilities related to after-service health insurance of \$1,576.6 million, repatriation benefits of \$234.9 million and annual leave benefits of \$100.1 million. Those liabilities were valued by independent actuaries. The decrease in liabilities from the prior year was attributable mainly to lower per-capita claims costs.

Figure IV.VIII
Employee benefits liabilities

(Millions of United States dollars)



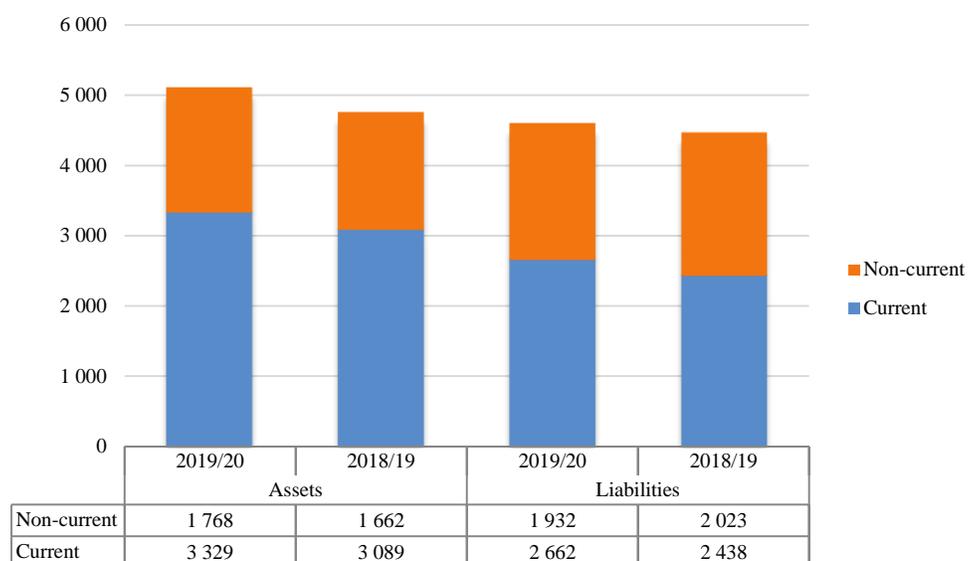
25. Employee benefits for after-service health insurance, annual leave and repatriation benefits continue to be on the pay-as-you-go basis for the present time pursuant to General Assembly resolution [70/248](#). The Organization continues to explore options to fund the liabilities.

Accounts payable and accrued liabilities

26. Accounts payable to Member States increased by \$221.4 million (16.6 per cent increase), from \$1,337.6 million to \$1,559.0 million, owing in large part to the decrease in reimbursements to troop-contributing countries. Accounts payables and accrued liabilities decreased by \$16.9 million (2.4 per cent decrease), from \$710.5 million to \$693.6 million. Those liabilities consisted mainly of accruals for goods and services of \$535.5 million (2018/19: \$523.7 million) and vendor payables of \$141.0 million (2018/19: \$166.6 million).

27. Figure IV.IX provides the structure of the peacekeeping operations accounts by current and non-current assets and liabilities as at 30 June 2020 and 30 June 2019, indicating little change in non-current assets and non-current liabilities.

Figure IV.IX
Assets and liabilities: current and non-current
 (Millions of United States dollars)

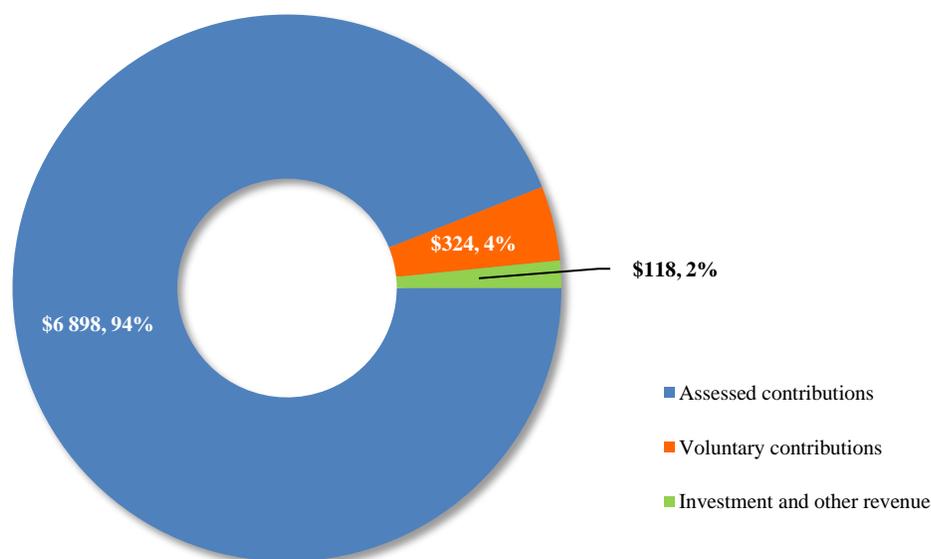


Financial performance

Revenue analysis

28. The total revenue of the peacekeeping operations for the period ending 30 June 2020 was \$7,340.5 million, compared with total expenses of \$7,336.9 million, resulting in an excess of total revenue over total expenses of \$3.6 million. The net decrease in revenue by \$122.0 million was attributable mainly to a decrease in assessed contributions of \$100.4 million (1.4 per cent decrease). Figure IV.X provides an analysis of revenue by nature.

Figure IV.X
Revenue by nature
 (Millions of United States dollars and percentage)



Assessed contributions

29. Assessed contributions of \$6,898.0 million accounted for 94.0 per cent of the total revenue for the peacekeeping operations during 2019/20 (2018/19: 93.8 per cent). Assessed contributions are based on a scale of peacekeeping assessment approved by the General Assembly.

30. Assessed contributions decreased by \$100.4 million (1.4 per cent decrease) from \$6,998.4 million in 2018/19 to \$6,898.0 million in 2019/20. UNAMID continued its drawdown (decrease of \$209.1 million). The liquidation of MINUJUSTH (decrease of \$76.9 million) contributed to the reduction in assessed contributions. Table IV.3 presents the status of assessment for active missions.

Table IV.3
Assessments
 (Millions of United States dollars and percentage)

	2019/20	2018/19	Percentage increase (decrease)
UNFICYP	30.6	32.0	(4.4)
UNDOF	76.4	71.8	6.4
UNIFIL	512.1	505.1	1.4
MINURSO	60.5	56.0	8.0
UNMIK	39.7	39.6	0.3
MONUSCO	1 185.9	1 192.3	(0.5)
MINUSTAH/MINUJUSTH	52.4	129.3	(59.5)
UNAMID	533.3	742.4	(28.2)
UNSOS	605.7	597.0	1.5
UNISFA	279.2	285.0	(2.0)

	2019/20	2018/19	Percentage increase (decrease)
UNMISS	1 294.7	1 203.3	7.6
MINUSMA	1 251.1	1 149.6	8.8
MINUSCA	976.4	995.0	(1.9)
Total	6 898.0	6 998.4	(1.4)

Voluntary contributions

31. Voluntary contributions, as shown in table IV.4, decreased slightly by \$31.4 million (8.8 per cent decrease), owing mainly to a decrease in facilities and premises.

Table IV.4

Voluntary contributions

(Millions of United States dollars and percentage)

	2019/20	2018/19	Percentage increase (decrease)
Monetary	23.7	24.4	(2.9)
Goods and rights-to-use			
Facilities	282.4	308.7	(8.5)
Landing rights	16.3	20.5	(20.5)
Others	1.9	2.1	(9.5)
Total	324.3	355.7	(8.8)

Investment and other revenue

32. The increase of \$9.7 million in investment and other revenue was attributable to an increase by \$8.9 million (15.3 per cent increase) in other revenue. Investment revenue remained almost the same, compared with 2018/19, at \$49.7 million. The annualized rate of return in cash pool investment was 1.92 per cent (2018/19: 2.31 per cent).

Expense analysis

33. Total expenses decreased by \$395.8 million (5.1 per cent decrease), from \$7,732.7 million in 2018/19 to \$7,336.9 million in 2019/20. The decrease in expenses was in line with the decrease in appropriations. The reductions in expenses were attributable to supplies and consumables (decrease of \$206.0 million); contingent contracted services (decrease of \$165.3 million); employee salaries, allowances and benefits (decrease of \$123.2 million); non-employee compensation and allowances (decrease of \$62.0 million); other expenses (decrease of \$31.0 million); and travel (decrease of \$14.3 million). The decreases in the aforementioned expense lines were offset in part by increases in other operating expenses (increase of \$107.4 million) and credits to Member States (increase of \$86.0 million).

34. Figures IV.XI and IV.XII highlight expenses by nature, showing that there was little change in the composition of expenses. Contingent contracted services accounted for 34 per cent (34 per cent in 2018/19) of total expenses, followed by employee salaries, allowances and benefits of 24 per cent (25 per cent in 2018/19) and other operating expenses of 19 per cent (16 per cent in 2018/19).

Figure IV.XI
Expenses by nature

(Millions of United States dollars and percentage)

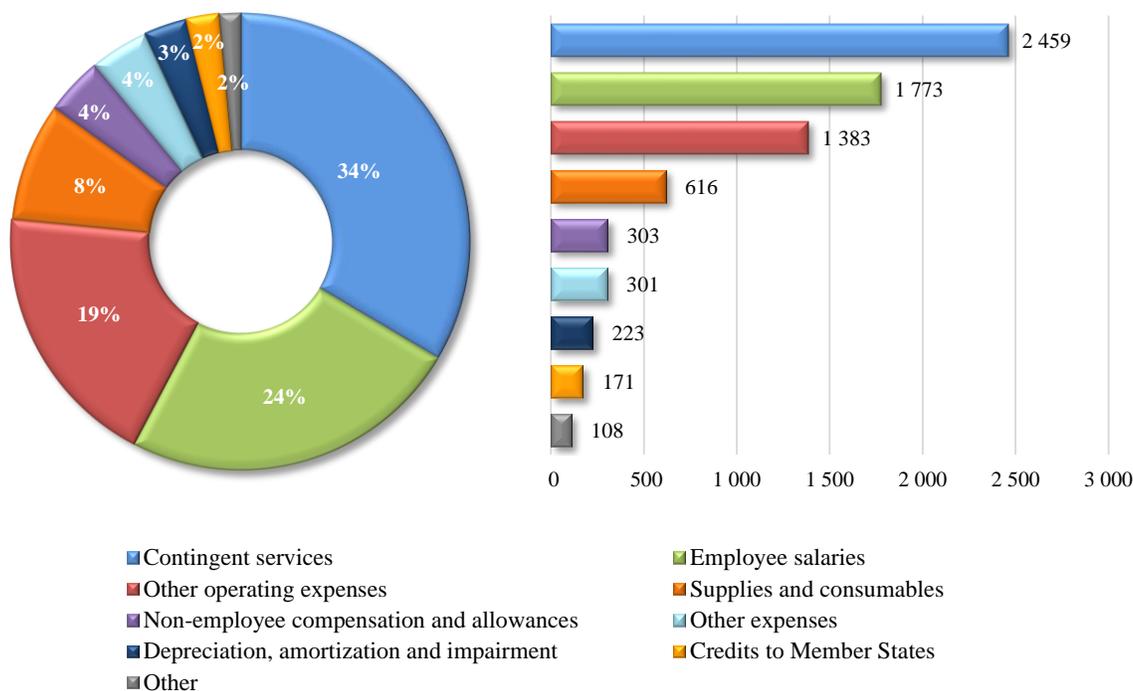
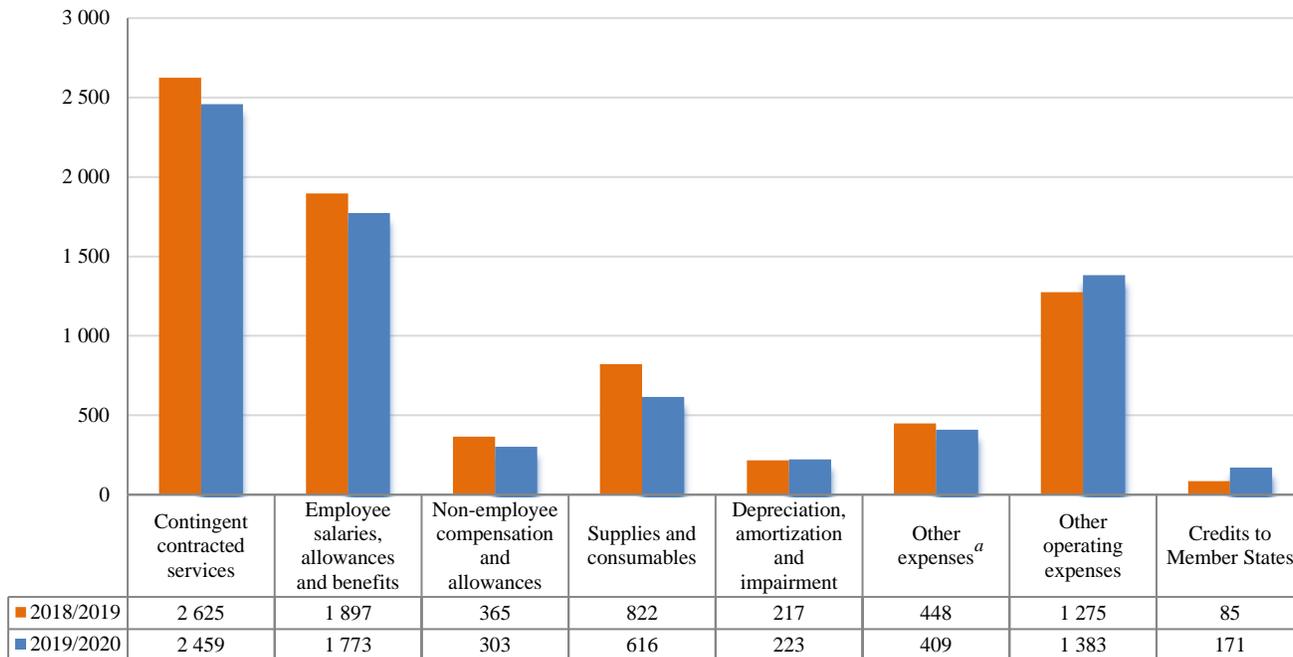


Figure IV.XII
Changes in expenses by nature

(Millions of United States dollars)

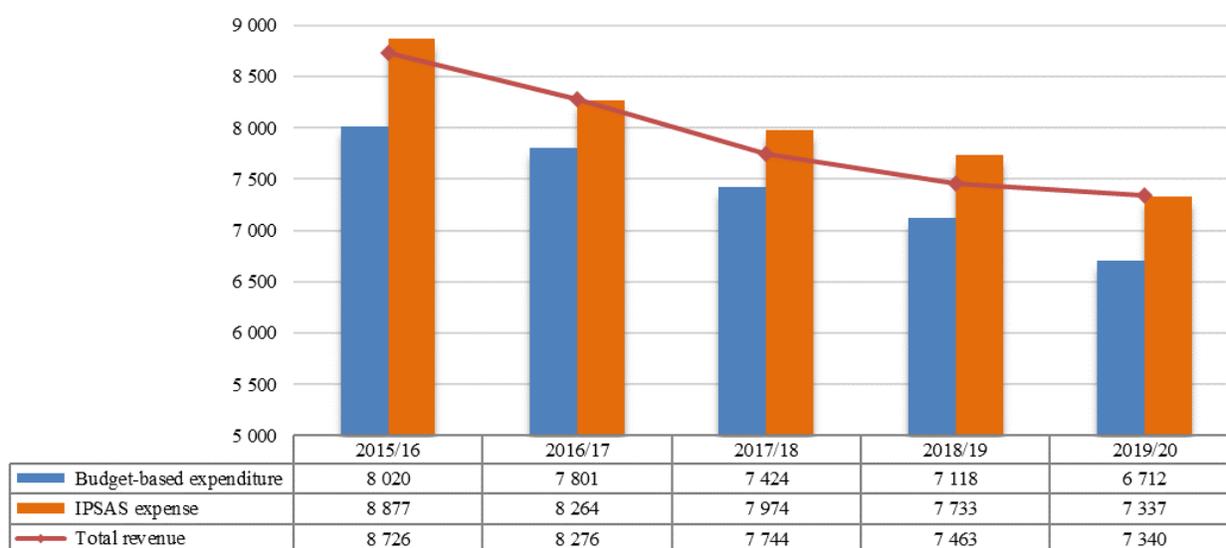


^a For the purposes of the present chart, the category “Other expenses” includes: other expenses (2018/19: \$331.7 million and 2019/20: \$300.7 million); self-insurance claims and expenses (2018/19: \$2.3 million and 2019/20: \$2.2 million); travel (2018/19: \$34.4 million and 2019/20: \$20.1 million); and grants and other transfers (2018/19: \$79.7 million and 2019/20: \$86.1 million).

35. Figure IV.XIII illustrates the trend in expenses of peacekeeping operations (on the basis of IPSAS) for fiscal period 2019/20 and four preceding periods, including in comparison with expenditure (on a modified cash basis), as well as total revenue over the same period.

Figure IV.XIII
Trend of expenses

(Millions of United States dollars)



C. Peacekeeping operations budgets

36. The peacekeeping operations budgets continue to be prepared on a modified cash basis and are presented in statement V. Approved budgets are those that authorize expenditure to be incurred and are approved by the General Assembly. For IPSAS reporting purposes, approved budgets are the appropriations authorized under Assembly resolutions and the commitment authorities approved by the Advisory Committee on Administrative and Budgetary Questions. The Assembly resolutions are shown in note 5. Annex II to the peacekeeping financial statements further provides the comparison of budget and actual amounts on the budget basis for each peacekeeping mission.

Chapter V

Financial statements for the year ended 30 June 2020

I. Statement of financial position as at 30 June 2020

(Thousands of United States dollars)

	<i>Note</i>	<i>30 June 2020</i>	<i>30 June 2019</i>
Assets			
Current assets			
Cash and cash equivalents	6	139 462	78 719
Investments	22	1 111 525	1 116 666
Assessed contributions receivable	7	1 654 826	1 482 621
Voluntary contributions receivable	8	–	7 222
Other receivables	9	46 835	44 278
Inventories	10	344 187	333 160
Other assets	11	31 897	26 581
Total current assets		3 328 732	3 089 247
Non-current assets			
Investments	22	418 386	112 855
Property, plant and equipment	12	1 346 260	1 545 737
Intangible assets	13	3 176	3 754
Total non-current assets		1 767 822	1 662 346
Total assets		5 096 554	4 751 593
Current liabilities			
Accounts payable – Member States	14	1 558 965	1 337 587
Accounts payable and accrued liabilities	14	693 564	710 508
Advance receipts	15	6 846	27 665
Employee benefits liabilities	16	70 202	69 004
Provisions	17	273 111	233 745
Other liabilities	18	59 196	59 226
Current liabilities		2 661 884	2 437 735
Non-current liabilities			
Employee benefits liabilities	16	1 931 972	2 023 576
Non-current liabilities		1 931 972	2 023 576
Total liabilities		4 593 856	4 461 311
Net of total assets and total liabilities		502 698	290 282
Net assets			
Accumulated surpluses – unrestricted	19	241 325	28 909
Accumulated surpluses – restricted	19	111 373	111 373
Reserves	20	150 000	150 000
Total net assets		502 698	290 282

The accompanying notes to the financial statements are an integral part of these financial statements.

II. Statement of financial performance for the year ended 30 June 2020

(Thousands of United States dollars)

	<i>Note</i>	<i>2019/20</i>	<i>2018/19</i>
Revenue			
Assessed contributions	21	6 897 950	6 998 394
Voluntary contributions	21	324 278	355 691
Investment revenue	22	49 717	49 704
Other transfers and allocations	21	1 424	596
Other revenue	21	67 124	58 162
Total revenue		7 340 493	7 462 547
Expenses			
Employee salaries, allowances and benefits	23	1 773 350	1 896 592
Contingent contracted services	23	2 459 283	2 624 556
Non-employee compensation and allowances	23	302 643	364 591
Grants and other transfers	23	86 094	79 693
Supplies and consumables	23	615 692	821 694
Depreciation	12	222 380	216 289
Amortization	13	578	548
Travel	23	20 070	34 381
Self-insurance claims and expenses	23	2 225	2 270
Other operating expenses	23	1 382 536	1 275 122
Other expenses	23	300 687	331 690
Credits to Member States	24	171 329	85 313
Total expenses		7 336 867	7 732 739
Surplus/(deficit) for the year		3 626	(270 192)

The accompanying notes to the financial statements are an integral part of these financial statements.

III. Statement of changes in net assets for the year ended 30 June 2020

(Thousands of United States dollars)

	<i>Accumulated surpluses/(deficits) – unrestricted</i>	<i>Accumulated surpluses – restricted</i>	<i>Reserves</i>	<i>Total</i>
Net assets as at 1 July 2018	521 063	111 373	150 000	782 436
Changes in net assets				
Adjustment of and actuarial loss on employee benefits liabilities	(221 962)	–	–	(221 962)
Deficit for the year ended 30 June 2019	(270 192)	–	–	(270 192)
Net assets as at 30 June 2019	28 909	111 373	150 000	290 282
Changes in net assets				
Actuarial gain on employee benefits liabilities ^a	208 790	–	–	208 790
Surplus for the year ended 30 June 2020	3 626	–	–	3 626
Net assets as at 30 June 2020	241 325	111 373	150 000	502 698

^a Actuarial gain of \$215.519 million for defined-benefit liabilities (see note 16) and actuarial loss of \$6.729 million for workers' compensation.

The accompanying notes to the financial statements are an integral part of these financial statements.

IV. Statement of cash flows for the year ended 30 June 2020

(Thousands of United States dollars)

	<i>Note</i>	<i>2019/20</i>	<i>2018/19</i>
Cash flows from operating activities			
Surplus/(deficit) for the year		3 626	(270 192)
<i>Non-cash movements</i>			
Depreciation and amortization	12, 13	222 958	216 837
<i>Changes in assets</i>			
(Increase)/decrease in assessed contributions receivable	7	(172 205)	83 491
(Increase)/decrease in voluntary contributions receivable	8	7 222	(7 222)
(Increase)/decrease in other receivables	9	(2 557)	(10 065)
(Increase)/decrease in inventories	10	(11 027)	35 860
(Increase)/decrease in other assets	11	(5 316)	7 003
<i>Changes in liabilities</i>			
Increase/(decrease) in accounts payable – Member States	14	221 378	(71 900)
Increase/(decrease) in accounts payable – other	14	(16 944)	(88 207)
Increase/(decrease) in advance receipts	15	(20 819)	15 148
Increase/(decrease) in employee benefits liabilities	16	118 384	140 434
Increase/(decrease) in provisions	17	39 366	17 210
Increase/(decrease) in other liabilities	18	(30)	(67)
Investment revenue presented as investing activities	22	(49 717)	(49 704)
Net cash flows from operating activities		334 319	18 626
Cash flows from investing activities			
Net contribution from/(to) cash pool investments		(300 390)	96 996
Investment revenue presented as investing activities	22	49 717	49 704
Net increase in property, plant and equipment	12	(22 903)	(174 550)
Investment in intangible assets	13	–	(811)
Net cash flows from investing activities		(273 576)	(28 661)
Net decrease in cash and cash equivalents		60 743	(10 035)
Cash and cash equivalents – beginning of year		78 719	88 754
Cash and cash equivalents – end of year	6	139 462	78 719

The accompanying notes to the financial statements are an integral part of these financial statements.

V. Statement of comparison of budget and actual amounts for the year ended 30 June 2020

(Thousands of United States dollars)

<i>Appropriated activities</i>	<i>Budget</i>		<i>Actual revenue/ expenditure/ budget basis</i>	<i>Difference^a (percentage)</i>
	<i>Original</i>	<i>Final</i>		
Revenue				
Assessed contributions	6 897 950	6 897 950	6 897 950	–
Voluntary contributions, budgeted	24 580	24 580	24 368	(0.86)
Allocations from other funds	1 424	1 424	1 424	–
Total revenue	6 923 954	6 923 954	6 923 742	–
Expenditure				
Active missions^b				
UNFICYP	54 612	54 612	53 193	(2.60)
UNDOF	74 042	74 042	65 560	(11.46)
UNIFIL	512 142	512 142	511 925	(0.04)
MINURSO	60 973	60 973	60 174	(1.31)
UNMIK	39 733	39 733	39 726	(0.02)
MONUSCO	1 086 019	1 122 456 ^c	1 109 859	(1.12)
MINUJUSTH	52 423	52 423	41 994	(19.89)
UNAMID	533 305	533 305	528 092	(0.98)
UNSOS	605 699	605 699	563 631	(6.95)
UNISFA	279 137	279 137	277 971	(0.42)
UNMISS	1 269 688	1 269 688	1 268 740	(0.07)
MINUSMA	1 221 421	1 221 421	1 219 872	(0.13)
MINUSCA	976 376	976 376	962 009	(1.47)
Total active missions	6 765 570	6 802 007	6 702 746	(1.46)
Less: prorated costs of support account	(343 835)	(343 835)	(343 835)	–
Less: prorated costs of UNLB – other activities	(61 260)	(61 260)	(61 260)	–
Less: prorated costs of RSCE	(33 044)	(33 044)	(33 044)	–
Total active missions, excluding prorated costs	6 327 431	6 363 868	6 264 607	(1.56)
Support activities				
Support account	348 868	348 868	348 868	–
UNLB – other activities	63 381	63 381	63 267	(0.18)
RSCE	35 387	35 387	35 376	(0.03)
Total support activities	447 636	447 636	447 511	(0.03)
Total expenditure, in accordance with 2019/20 budget-based active missions and support activities	6 775 067	6 811 504	6 712 118	(1.46)
Net total	148 887	112 450	211 624	–

<i>Non-appropriated activities</i>	<i>Funding</i>	<i>Expenditure</i>
UNLB – strategic deployment stock activities ^d	88 032	27 490
Reserve fund for workers' compensation ^e	2 236	2 231
Peacekeeping Reserve Fund	–	12
Peacekeeping cost recovery ^f	124 120	114 616
Total non-appropriated activities	214 388	144 349

^a Actual expenditure (budget basis) less final budget.

^b Budget and actual expenditure of active missions include prorated costs for the support account, UNLB – other activities and RSCE.

^c Commitments of \$36.437 million were authorized on 30 April 2020.

^d Funding for strategic deployment stocks is based on current-period transfers to peacekeeping and political missions and other offices and fund balances brought forward from the prior period.

^e Funding for workers' compensation is allocated from active missions.

^f Funding for cost recovery is allocated from the revenue of the Fund.

The accompanying notes to the financial statements are an integral part of these financial statements.

**United Nations peacekeeping operations as reported in volume II
Notes to the 2019/20 financial statements**

Note 1

Reporting entity

United Nations and its activities

1. The United Nations is an international organization founded in 1945 after the Second World War. The Charter of the United Nations was signed on 26 June 1945 and became effective on 24 October 1945. The primary objectives of the United Nations are:

- (a) The maintenance of international peace and security;
- (b) The promotion of international economic and social progress and development programmes;
- (c) The universal observance of human rights;
- (d) The administration of international justice and law.

2. These objectives are implemented through the major organs of the United Nations, as follows:

(a) The General Assembly focuses on a wide range of political, economic and social issues, as well as the financial and administrative aspects of the Organization;

(b) The Security Council is responsible for various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance, facilitate post-conflict peacebuilding, engage in humanitarian activities to ensure the survival of groups deprived of basic needs, and oversee the prosecution of persons responsible for serious violations of international humanitarian law;

(c) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems;

(d) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions;

(e) The Secretariat is organized along departmental lines, with each department or office having a distinct area of action and responsibility. Offices and departments coordinate with each other to ensure cohesion as they carry out the day-to-day work of the Organization in offices and duty stations around the world. At the head of the United Nations Secretariat is the Secretary-General.

3. The United Nations has its headquarters in New York and has major offices in Geneva, Vienna and Nairobi. It also has peacekeeping and political missions, economic commissions, tribunals, training institutes, information centres and other offices around the world.

United Nations peacekeeping operations

4. These financial statements relate to the United Nations peacekeeping operations, a separate financial reporting entity of the United Nations for the purposes of IPSAS-compliant reporting.

5. United Nations peacekeeping, with a mandate to help countries affected by conflict to create conditions for lasting peace, began operations in 1948 with the creation of the first peacekeeping mission. Since then, 69 peacekeeping missions (2019/20: 69 missions) have been deployed by the United Nations, 56 of them since 1988.

6. United Nations peacekeeping operates under the direction of the Security Council; as deemed appropriate by vote of the Council, peacekeeping missions are established, extended, amended or ended. Under Article 25 of the Charter, all States Members of the United Nations agree to accept and carry out the decisions of the Council; while other organs make recommendations to Member States, the Council alone has the power to take decisions that Member States are obligated to follow. United Nations peacekeeping has unique strengths, including legitimacy, burden-sharing and an ability to deploy and sustain troops and police from around the world, integrating them with civilian peacekeepers to advance multidimensional mandates. As at 30 June 2020, there were 13 active United Nations peacekeeping missions (30 June 2019: 13 active missions) deployed across four continents.

7. The peacekeeping operations are regarded as an autonomous reporting entity, which, owing to the uniqueness of the governance and budgetary process of each of the reporting entities of the United Nations, neither controls nor is controlled by any other United Nations financial reporting entity, and which has no interests in associates, joint ventures or joint arrangements. Therefore, consolidation is not deemed applicable to the reporting entity, and these financial statements include only the activities of the United Nations peacekeeping operations.

Note 2

Basis of preparation and authorization for issue

Basis of preparation

8. In accordance with the Financial Regulations and Rules of the United Nations, the financial statements are prepared on an accrual basis in accordance with IPSAS. The financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently in the preparation and presentation of these financial statements. In accordance with the requirements of IPSAS, these financial statements, which present fairly the assets, liabilities, revenue and expenses of the United Nations peacekeeping operations, consist of the following:

- (a) Statement I: statement of financial position;
- (b) Statement II: statement of financial performance;
- (c) Statement III: statement of changes in net assets;
- (d) Statement IV: statement of cash flows (using the indirect method);
- (e) Statement V: statement of comparison of budget and actual amounts;
- (f) A summary of significant accounting policies and other explanatory notes.

Going concern

9. The going-concern assertion is based on the approval by the General Assembly of the budget appropriations for peacekeeping operations for the 2020/21 financial year, the positive historical trend of collection of assessed contributions over the past years and the fact that the Assembly and the Security Council have not made any decisions to cease the operations of the peacekeeping operations as a whole.

Authorization for issue

10. These financial statements are certified by the Controller and approved by the Secretary-General of the United Nations. In accordance with financial regulation 6.2, the Secretary-General transmits these financial statements as at 30 June 2020 to the Board of Auditors by 30 September 2020. In accordance with financial regulation 7.12, the reports of the Board of Auditors are transmitted to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions, together with the audited financial statements.

Measurement basis

11. The financial statements are prepared using the historic cost convention except for financial assets, which are recorded at fair value.

Functional and presentation currency

12. The functional currency of the peacekeeping operations is the United States dollar; currencies other than the functional currency are considered foreign currencies for the purpose of financial accounting and reporting. The presentation currency of the peacekeeping operations is also the United States dollar; these financial statements are expressed in thousands of United States dollars unless otherwise stated.

13. Foreign currency transactions are translated into United States dollars at the United Nations operational rate of exchange at the date of the transaction. The operational rate of exchange approximates the spot rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the fiscal-year-end operational rate of exchange. Non-monetary foreign currency items measured at historical cost or fair value are translated at the operational rate of exchange prevailing at the date of the transaction or when the fair value was determined.

14. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at fiscal-year-end exchange rates are recognized in the statement of financial performance on a net basis.

Materiality and use of judgment and estimates

15. Materiality is central to the preparation and presentation of the financial statements of the peacekeeping operations and the materiality framework provides a systematic method in guiding accounting decisions relating to presentation, disclosure, aggregation, offsetting and retrospective versus prospective application of changes in accounting policies. In general, an item is considered material if its omission or its aggregation would have an impact on the conclusions or decisions of the users of the financial statements.

16. Preparing financial statements in accordance with IPSAS requires the use of estimates, judgments and assumptions in the selection and application of accounting policies and in the reported amounts of certain assets, liabilities, revenues and expenses.

17. Accounting estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include actuarial measurement of employee benefits; selection of useful lives and the depreciation and amortization

methods for property, plant and equipment and intangible assets; impairment of assets; classification of financial instruments; valuation of inventory; inflation and discount rates used in the calculation of the present value of provisions; and classification of contingent assets and liabilities.

Future accounting pronouncements

18. The progress and impact of the following significant future accounting pronouncements by the IPSAS Board on the financial statements of the peacekeeping operations continue to be monitored:

(a) Heritage assets: the objective of the project is to develop accounting requirements for heritage assets;

(b) Non-exchange expenses: the aim of the project is to develop a standard or standards that provide recognition and measurement requirements applicable to providers of non-exchange transactions, except for social benefits;

(c) Revenue: the scope of the project is to develop new standard-level requirements and guidance on revenue to amend or supersede those currently located in IPSAS 9: Revenue from exchange transactions; IPSAS 11: Construction contracts; and IPSAS 23: Revenue from non-exchange transactions (taxes and transfers);

(d) Leases: the objective of the project is to develop revised requirements for lease accounting covering both lessees and lessors in order to maintain alignment with the underlying International Financial Reporting Standard. The project will result in a new IPSAS that will replace IPSAS 13: Leases. The development of a new IPSAS is continuing, with the date of its issuance yet to be determined by the IPSAS Board;

(e) Public sector measurement: the objectives of this project include: (i) to issue amended IPSAS standards with revised requirements for measurement at initial recognition, subsequent measurement and measurement-related disclosure; (ii) to provide more detailed guidance on the implementation of replacement cost and cost of fulfilment and the circumstances under which these measurement bases will be used; and (iii) to address transaction costs, including the specific matter of the capitalizing or expensing of borrowing costs;

(f) Infrastructure assets: the objective of the project is to research and identify problems preparers have when applying IPSAS 17: Property, plant and equipment, to infrastructure assets. Informed by this research, the aim is to provide additional guidance on accounting for infrastructure assets.

Recent and future requirements of International Public Sector Accounting Standards

19. The IPSAS Board issued IPSAS 41: Financial instruments, in August 2018 and IPSAS 42: Social benefits, in January 2019. The impact of these standards on the peacekeeping operation's financial statements has been evaluated as follows:

<i>Standard</i>	<i>Anticipated impact in the year of adoption</i>
IPSAS 41	IPSAS 41: Financial instruments, will replace IPSAS 29: Financial instruments – recognition and measurements, and improve the relevance of information for financial assets and financial liabilities by introducing: <ul style="list-style-type: none"> (a) Simplified classification and measurement requirements for financial assets; (b) A forward-looking impairment model; (c) A flexible hedge accounting model.

<i>Standard</i>	<i>Anticipated impact in the year of adoption</i>
	IPSAS 41 will be effective from 1 January 2022. Its impact on the financial statements of the peacekeeping operations will be assessed prior to that date.
IPSAS 42	IPSAS 42: Social benefits, provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include State retirement benefits, disability benefits, income support and unemployment benefits. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment. IPSAS 42 will be effective from 1 January 2022. Currently, there are no such social benefits in the peacekeeping operations.

Note 3 **Significant accounting policies**

Financial assets: classification

20. Classification of financial assets depends primarily on the purpose for which the financial assets are acquired. The peacekeeping operations classify financial assets in one of the categories shown below at initial recognition and re-evaluate the classification at each reporting date.

<i>Classification</i>	<i>Financial assets</i>
Fair value through surplus or deficit	Investments in cash pools
Loans and receivables	Cash and cash equivalents and receivables

21. All financial assets are initially measured at fair value. The peacekeeping operations initially recognize financial assets classified as loans and receivables on the date on which they originated. All other financial assets are recognized initially on the trade date, which is the date on which the peacekeeping operation becomes party to the contractual provisions of the instrument.

22. Financial assets with maturities in excess of 12 months as at the reporting date are categorized as non-current assets in the financial statements. Assets denominated in foreign currencies are translated into United States dollars at the United Nations operational rate of exchange prevailing as at the reporting date, with net gains or losses recognized in the surplus or deficit in the statement of financial performance.

23. Financial assets at fair value through surplus or deficit are those that have either been designated in this category at initial recognition or are held for trading or are acquired principally for the purpose of sale in the short term. These assets are measured at fair value at each reporting date, and any gains or losses arising from changes in the fair value are recognized in the statement of financial performance in the period in which they arise.

24. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value plus transaction costs and are subsequently reported at amortized cost calculated using the effective interest method. Interest revenue is recognized on a time proportion basis using the effective interest rate method on the respective financial asset.

25. Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in the value of the asset. Impairment losses are recognized in the statement of financial performance in the year in which they arise.

26. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the peacekeeping operations have transferred substantially all risks and rewards of the financial asset. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial assets: investment in cash pools

27. The United Nations Treasury invests funds pooled from Secretariat entities and other participating entities. These pooled funds are combined in two internally managed cash pools. Participation in a cash pool implies sharing the risk and returns on investments among all pool participants. Given that the funds are commingled and invested on a pool basis, each participant is exposed to the overall risk of the investment portfolio to the extent of the amount of cash invested.

28. The investments of the peacekeeping operations in the main pool are included as part of cash and cash equivalents, short-term investments and long-term investments in the statement of financial position, depending on the maturity period of the investment.

Financial assets: cash and cash equivalents

29. Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments with a maturity of three months or fewer from the date of acquisition.

Financial assets: receivables from non-exchange transactions – contributions receivable

30. Contributions receivable represent uncollected revenue from assessed and voluntary contributions committed to the peacekeeping operations by Member States, non-member States and other donors based on enforceable agreements. These non-exchange receivables are stated at nominal value, less allowance for doubtful receivables reflecting impairment for estimated irrecoverable amounts. Voluntary contributions receivable are subject to an allowance for doubtful receivables on the same basis as other receivables. For assessed contributions receivable, the allowance for doubtful receivables is calculated as follows:

(a) Receivables from Member States that are subject to Article 19 of the Charter on voting right restrictions in the General Assembly owing to arrears equalling or exceeding the amount of the contributions due for the preceding two full years and that are past due in excess of two years: 100 per cent allowance;

(b) Receivables that are past due in excess of two years for which the General Assembly has granted special treatment with regard to payment: UNEF, ONUC, unpaid assessed contributions that were transferred to a special account pursuant to Assembly resolution 36/116 A and unpaid assessed contributions of the former Yugoslavia: 100 per cent allowance;

(c) Receivables that are past due in excess of two years for which Member States have specifically contested the balance: 100 per cent allowance. Any contested

amount outstanding for fewer than two years will be disclosed in the notes to the financial statements;

(d) Assessed contributions receivable that are past due in excess of two years related to missions that have been closed for more than two years: 100 per cent allowance;

(e) For receivables with approved payment plans, no allowance for doubtful debt will be established; however, disclosures will be made in the notes to the financial statements.

Financial assets: receivables from exchange transactions – other receivables

31. Other receivables include primarily amounts receivable for goods or services provided to other entities and amounts receivable for operating lease arrangements. Receivables from other United Nations reporting entities are also included in this category. Material balances of other receivables and voluntary contributions receivable are subject to specific review and an allowance for doubtful receivables is assessed on the basis of recoverability and ageing accordingly.

Other assets

32. Other assets include prepayments that are recorded as an asset until goods are delivered or services are rendered by the other party, at which point the expense is recognized.

Inventories

33. Inventory balances are recognized as current assets and include the categories set out below.

<i>Categories</i>	<i>Subcategories</i>
Held for sale or external distribution	Books and publications, stamps
Raw materials and work in progress associated with items held for sale or external distribution	Construction materials and supplies, work in progress
Strategic reserves	Fuel reserves, bottled water and rations reserves, strategic deployment stocks, United Nations reserves
Consumables and supplies	Material holdings of consumables and supplies, spare parts, medicine

34. The cost of inventory in stock is determined using the average price cost basis. The cost of inventories includes the cost of purchase plus other costs incurred in bringing the items to the destination and condition for use. Standard rates ranging from 5 to 26 per cent of the cost of purchase, depending on the location of each office and mission, are used in place of actual associated costs. Inventory acquired through non-exchange transactions (i.e., donated goods) are measured at fair value at the date of acquisition. Inventories held for sale are valued at the lower of cost and net realizable value. Inventories held for distribution at no or nominal charge or for consumption in the production of goods or services are valued at the lower of cost and current replacement cost.

35. The carrying amount of inventories is expensed when inventories are sold, exchanged, distributed externally or consumed by the United Nations peacekeeping operations. Net realizable value is the net amount that is expected to be realized from the sale of inventories in the ordinary course of operations. Current replacement cost is the estimated cost that would be incurred to acquire the asset.

36. Holdings of consumables and supplies for internal consumption are capitalized in the statement of financial position when material. Such inventories are valued by the moving average method based on records available in Umoja. Valuations are subject to impairment review, which takes into consideration the variances between moving average price valuation and current replacement cost, as well as slow-moving and obsolete items.

37. Inventories are subject to physical verification based on value and risk as assessed by management. Valuations are net of write-downs from cost to current replacement cost or net realizable value, which are recognized in the statement of financial performance.

Heritage assets

38. Heritage assets are not recognized in the financial statements, but transactions related to significant heritage assets are disclosed in the notes to the financial statements.

Property, plant and equipment

39. Property, plant and equipment are classified into different groups of items of a similar nature and with similar functions, useful lives and valuation methodologies, such as vehicles; communications and information technology equipment; machinery and equipment; furniture and fixtures; and real estate assets (land, buildings, infrastructure and assets under construction). Recognition of property, plant and equipment is as follows:

(a) Property, plant and equipment are capitalized when their cost per unit is greater than or equal to the threshold of \$20,000 or \$100,000 for leasehold improvements and self-constructed assets. A lower threshold of \$5,000 applies to five commodity groups: vehicles; prefabricated buildings; satellite communication systems; generators; and network equipment;

(b) All property, plant and equipment other than real estate assets are stated at historical cost, less accumulated depreciation and accumulated impairment losses. Historical cost comprises the purchase price, any costs directly attributable to bringing the asset to its location and condition, and the initial estimate of dismantling and site restoration costs. Standard rates ranging from 2 to 15 per cent of the cost of purchase, depending on the location of each office and mission, are used in place of actual associated costs;

(c) For property, plant and equipment acquired at nil or nominal cost, such as donated assets, the fair value at the date of acquisition is deemed to be the cost to acquire equivalent assets.

40. Property, plant and equipment are depreciated over their estimated useful lives using the straight-line method up to their residual value, except for land and assets under construction, which are not subject to depreciation. Given that not all components of a building have the same useful life or have the same maintenance, upgrade or replacement schedules, significant components of owned buildings are depreciated using the components approach. Depreciation commences in the month when the United Nations peacekeeping operation gains control over an asset in accordance with

international commercial terms and no depreciation is charged in the month of the retirement or disposal. Given the expected pattern of usage of property, plant and equipment, the residual value is nil unless the residual value is likely to be significant. The estimated useful lives of property, plant and equipment classes are set out below.

<i>Class</i>	<i>Subclass</i>	<i>Estimated useful life</i>
Communications and information technology equipment	Information technology equipment	4 years
	Communications and audiovisual equipment	7 years
Vehicles	Light-wheeled vehicles	6 years
	Marine vessels	10 years
	Specialized vehicles, trailers and attachments	6–12 years
	Heavy-wheeled and engineering support vehicles	12 years
Machinery and equipment	Light engineering and construction equipment	5 years
	Medical equipment	5 years
	Security and safety equipment	5 years
	Mine detection and clearing equipment	5 years
	Water treatment and fuel distribution equipment	7 years
	Transportation equipment	7 years
	Heavy engineering and construction equipment	12 years
	Printing and publishing equipment	20 years
Furniture and fixtures	Library reference material	3 years
	Office equipment	4 years
	Fixtures and fittings	7 years
	Furniture	10 years
Buildings	Temporary and mobile buildings	7 years
	Fixed buildings	Up to 50 years
	Finance lease or donated right-to-use buildings	Shorter of term of arrangement or life of building
Infrastructure assets	Telecommunications, energy, protection, transport, waste and water management, recreation, landscaping	Up to 50 years
Leasehold improvements	Fixtures, fittings and minor construction work	Shorter of lease term or 5 years

41. Where there is a material cost value of fully depreciated assets that are still in use, adjustments to accumulated depreciation and property, plant and equipment are

incorporated into the financial statements to reflect a residual value of 10 per cent of historical cost based on an analysis of the classes and useful lives of the fully depreciated assets.

42. The peacekeeping operations selected the cost model, instead of the revaluation model, for the measurement of property, plant and equipment after initial recognition. Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the peacekeeping operations and the subsequent cost exceeds the threshold for initial recognition. Repairs and maintenance are expensed in the statement of financial performance in the year in which they are incurred.

43. A gain or loss resulting from the disposal or transfer of property, plant and equipment arises where proceeds from disposal or transfer differ from the carrying amount. Those gains or losses are recognized in the statement of financial performance as part of other revenue or other expenses.

44. Impairment assessments are conducted during the annual physical verification process and when events or changes in circumstance indicate that carrying amounts may not be recoverable. Land, buildings and infrastructure assets with a year-end net book value greater than \$500,000 are reviewed for impairment at each reporting date. The equivalent threshold for other property, plant and equipment items (excluding assets under construction and leasehold improvements) is \$25,000.

Intangible assets

45. Intangible assets are carried at cost, less accumulated amortization and accumulated impairment loss. For intangible assets acquired at nil or nominal cost, including donated assets, the fair value at the date of acquisition is deemed to be the cost of the asset. The thresholds for recognition are \$100,000 per unit for internally generated intangible assets and \$20,000 per unit for externally acquired intangible assets.

46. Acquired computer software licences are capitalized on the basis of costs incurred to acquire and bring into use the specific software. Development costs that are directly associated with the development of software for use by the peacekeeping operations are capitalized as an intangible asset. Directly associated costs include software development employee costs, consultant costs and other applicable overhead costs. Intangible assets with finite useful lives are amortized on a straight-line method, starting from the month of acquisition or when they become operational. The useful lives of major classes of intangible assets have been estimated as shown below.

<i>Class</i>	<i>Range of estimated useful life</i>
Licences and rights	2–6 years (period of licence/right)
Software acquired externally	3–10 years
Software developed internally	3–10 years
Copyrights	3–10 years
Assets under development	Not amortized

47. Annual impairment reviews of intangible assets are conducted where assets are under development or have an indefinite useful life.¹ Other intangible assets are subject to impairment review only when indicators of impairment are identified.

Financial liabilities: classification

48. Financial liabilities are classified as other financial liabilities. They include accounts payable, unspent funds held for future refund and other liabilities such as balances payable to other United Nations system reporting entities. Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with durations of fewer than 12 months are recognized at their nominal value. The peacekeeping operations re-evaluate the classification of financial liabilities at each reporting date and derecognize financial liabilities when contractual obligations are discharged, waived, cancelled or expired.

Financial liabilities: accounts payable and accrued expenses

49. Accounts payable and accrued expenses arise from the purchase of goods and services that have been received but not paid for as at the reporting date. Payables are measured at their nominal value if classified as current liabilities, or at the fair value, if classified as non-current liabilities.

Advance receipts and other liabilities

50. Advance receipts are contributions received for future periods. Other liabilities consist of payments received in advance relating to exchange transactions, liabilities for conditional funding arrangements and other deferred revenue.

Leases: the peacekeeping operations as lessee²

51. Leases of property, plant and equipment where a peacekeeping operation has substantially all of the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the start of the lease at the lower of fair value or the present value of the minimum lease payment. The rental obligation, net of finance charges, is reported as a liability in the statement of financial position. Assets acquired under finance leases are depreciated in accordance with property, plant and equipment policies. The interest element of the lease payment is charged to the statement of financial performance as an expense over the lease term on the basis of the effective interest rate method.

52. Leases in which all of the risks and rewards of ownership are not substantially transferred to a peacekeeping operation are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance as an expense on a straight-line basis over the period of the lease.

Leases: the peacekeeping operations as lessor

53. The peacekeeping operations lease out (act as a lessor) certain assets under operating leases. Assets subject to operating leases are reported under property, plant and equipment. Lease revenue from operating leases is recognized in the statement of financial performance over the lease term on a straight-line basis.

¹ No intangible assets with an indefinite useful life were recorded in 2019/20.

² No finance lease contracts were recorded in 2019/20.

Donated rights to use

54. The right to use land, buildings, infrastructure assets, machinery and equipment is frequently granted to peacekeeping operations, primarily by host Governments at nil or nominal cost, through donated right-to-use arrangements. These arrangements are accounted for as operating leases or finance leases depending on whether an assessment of the agreement indicates that control of the underlying asset is transferred to the peacekeeping operation.

55. When a donated right-to-use arrangement is classified as an operating lease, an expense and corresponding revenue equal to the annual market rent of similar property are recognized in the financial statements. Where a donated right-to-use arrangement is classified as a finance lease (principally with a lease term of more than 35 years for premises), the fair market value of the property is capitalized and depreciated over the shorter of the term of the arrangement or the useful life of the property. In addition, a liability for the same amount is recorded and progressively recognized as revenue over the lease term.

56. Donated right-to-use land arrangements are accounted for as operating leases where the peacekeeping operation does not have exclusive control and title to the land is not transferred under restricted deeds. Where title to land is transferred to the peacekeeping operation without restrictions, the land is accounted for as donated property, plant and equipment and recognized at fair value at the acquisition date.

57. The thresholds for the recognition of revenue and expenses is yearly rental value equivalent of \$20,000 for each donated right-to-use arrangement for land, buildings or infrastructure assets and \$5,000 per item for machinery and equipment assets.

Employee benefits

58. Employees are staff members, as described under Article 97 of the Charter, whose employment and contractual relationship with a peacekeeping operation are defined by a letter of appointment subject to regulations promulgated by the General Assembly pursuant to Article 101, paragraph 1, of the Charter. Employee benefits are classified into short-term benefits, long-term benefits, post-employment benefits and termination benefits.

Short-term employee benefits

59. Short-term employee benefits are employee benefits (other than termination benefits) that are payable within 12 months after the end of the year in which the employee renders the related services. Short-term employee benefits comprise first-time employee benefits (assignment grants), regular daily, weekly or monthly benefits (wages, salaries and allowances), compensated absences (paid sick leave and maternity/paternity leave) and other short-term benefits (death grant, education grant, reimbursement of taxes, and home leave travel) provided to current employees on the basis of services rendered. All such benefits that are accrued but not paid as at the reporting date are recognized as current liabilities within the statement of financial position.

60. Home leave travel is available to eligible staff and dependants serving in qualifying countries. The liability represents the expected travel cost of the next home leave entitlement for qualifying staff, adjusted for the proportion of service yet to be performed until the benefit is vested. Given that home leave travel entitlements are claimed within relatively short periods of time, the effect of discounting for the time value of money is not material.

Post-employment benefits

61. Post-employment benefits comprise after-service health insurance, end-of-service repatriation benefits and a pension provided through the United Nations Joint Staff Pension Fund.

Defined-benefit plans

62. The following benefits are accounted for as defined-benefit plans: after-service health insurance, repatriation benefits (post-employment benefits) and accumulated annual leave that is commuted to cash upon separation from the Organization (other long-term benefit). Defined-benefit plans are those where the peacekeeping operations have an obligation to provide agreed benefits and therefore bear the actuarial risks. The liability for defined-benefit plans is measured at the present value of the defined-benefit obligation. Changes in the liability for defined-benefit plans, excluding actuarial gains and losses, are recognized in the statement of financial performance in the year in which they occur. The peacekeeping operations have elected to recognize changes in the liability valuation from actuarial gains and losses directly through the statement of changes in net assets. As at the reporting date, the peacekeeping operations did not hold any plan assets as defined under IPSAS 39: Employee benefits.

63. The defined-benefit obligations are calculated by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality corporate bonds with maturity dates approximating those of the individual plans.

64. **After-service health insurance.** Worldwide coverage for medical expenses of eligible former staff members and their dependants is provided through after-service health insurance. Upon end of service, staff members and their dependants may elect to participate in a defined-benefit health insurance plan of the United Nations, provided they have met certain eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after 1 July 2007 and 5 years for those who were recruited prior to that date. The after-service health insurance liability represents the present value of the share of the peacekeeping operations of medical insurance costs for retirees and the post-retirement benefit accrued to date by active staff. A factor in the after-service health insurance valuation is to consider contributions from all plan participants in determining the residual liability of the peacekeeping operations. Contributions from retirees are deducted from the gross liability and a portion of the contributions from active staff is also deducted to arrive at the residual liability of the peacekeeping operations in accordance with the cost-sharing ratios authorized by the General Assembly.

65. **Repatriation benefits.** Upon end of service, staff who meet certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to repatriation benefits, comprising a repatriation grant based upon length of service and travel and removal expenses. A liability is recognized from when the staff member joins a peacekeeping operation and is measured as the present value of the estimated liability for settling these entitlements.

66. **Annual leave.** The liabilities for annual leave represent unused accumulated leave days that are projected to be settled by means of a monetary payment to employees upon their separation from the Organization. The United Nations recognizes as a liability the actuarial value of the total accumulated unused leave days of all staff members, up to a maximum of 60 days (18 days for temporary staff) as at the date of the statement of financial position. The methodology applies a last-in-

first-out assumption in the determination of the annual leave liabilities, whereby staff members gain access to current period leave entitlements before they gain access to accumulated annual leave balances relating to prior periods. Effectively, the accumulated annual leave benefit is accessed more than 12 months after the end of the reporting period in which the benefit arose and, overall, there is an increase in the level of accumulated annual leave days, pointing to the commutation of accumulated annual leave to a cash settlement at end of service as the true liability of the Organization. The accumulated annual leave benefit reflecting the outflow of economic resources from the Organization at end of service is therefore classified as “other long-term benefit”, noting that the portion of the accumulated annual leave benefit that is expected to be settled by means of a monetary payment within 12 months after the reporting date is classified as a current liability. In line with IPSAS 39: Employee benefits, other long-term benefits must be valued similarly as post-employment benefits; therefore, the peacekeeping operation values its accumulated annual leave benefit liability as a defined post-employment benefit that is actuarially valued.

Pension plan: United Nations Joint Staff Pension Fund

67. The peacekeeping operations constitute a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a funded, multi-employer defined-benefit plan. As specified under article 3 (b) of the Regulations of the Pension Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Pension Fund, with the result that there is no consistent and reliable basis for allocating the obligations, plan assets and costs to individual organizations participating in the plan. The peacekeeping operations and the Pension Fund, in line with other participating organizations in the Fund, are not in a position to identify their proportionate share of the defined-benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, the peacekeeping operations have treated this plan as if it were a defined-contribution plan in line with the requirements of IPSAS 39: Employee benefits. Contributions by the peacekeeping operations to the plan during the financial year are recognized as employee benefit expenses in the statement of financial performance.

Termination benefits

68. Termination benefits are recognized as an expense only when the peacekeeping operation is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan either to terminate the employment of a staff member before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits to be settled within 12 months are reported at the amount expected to be paid. Where termination benefits will fall due more than 12 months after the reporting date, they are discounted if the impact of discounting is material.

Other long-term employee benefits

69. Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in

which employees provide the related service. Accumulated annual leave is an example of a long-term employee benefit.

70. Appendix D to the Staff Regulations and Rules governs compensation in the event of death, injury or illness attributable to the performance of official duties on behalf of the United Nations. Actuaries value these liabilities and actuarial gains or losses in the liability are recognized in the statement of changes in net assets.

Provisions

71. Provisions are liabilities recognized for future expenditure of an uncertain amount or timing. A provision is recognized if, as a result of a past event, the peacekeeping operation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured as the best estimate of the amount required to settle the present obligation as at the reporting date. Where the effect of the time value of money is material, the provision is the present value of the amount expected to be required to settle the obligation.

72. Uncommitted balances of the current-year appropriations and expired balances of the appropriations retained from prior years are required to be surrendered to the Member States. Investment income and other income are also returned to the Member States, together with the surrendered appropriations. At the reporting date, provisions are made for the surplus balances to be returned to the Member States with an adjustment to net assets. The surplus balances remain as provisions until the General Assembly decides the manner of their disposal.

Contingent liabilities

73. Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the peacekeeping operations, or present obligations that arise from past events but are not recognized because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations or because the amount of the obligations cannot be reliably measured.

Contingent assets

74. Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the peacekeeping operations.

Commitments

75. Commitments are future expenses that are to be incurred on contracts entered into by the reporting date and that the peacekeeping operations have minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments (the amount of contracts for capital expenses that are not paid or accrued by the reporting date), contracts for the supply of goods and services that will be delivered to the peacekeeping operations in future periods, non-cancellable minimum lease payments and other non-cancellable commitments.

Non-exchange revenue: assessed contributions

76. Assessed contributions for the peacekeeping operations are assessed and approved for a one-year budget period. Assessed contributions are recognized as revenue at the beginning of the year.

77. Assessed contributions include the amounts assessed to the Member States to finance the activities of the peacekeeping operations in accordance with the scale of assessments determined by the General Assembly. Revenue from assessed contributions from Member States and from non-member States is presented in the statement of financial performance.

Non-exchange revenue: voluntary contributions

78. Voluntary contributions and other transfers that are supported by legally enforceable agreements are recognized as revenue at the time the agreement becomes binding, which is the point when a peacekeeping operation is deemed to acquire control of the asset. Where cash is received subject to specific conditions, however, recognition is deferred until those conditions have been satisfied.

79. Voluntary pledges and other promised donations that are not supported by binding agreements with terms of offer and acceptance are recognized as revenue upon the receipt of cash. Unused funds returned to the donor are netted against revenue (if those funds are recognized as revenue during the year) or shown as a reduction of net assets if the funds were recognized in the previous year.

80. Revenue received under inter-organizational arrangements represents allocations of funding from agencies to enable a peacekeeping organization to administer projects or other programmes on their behalf.

81. In-kind contributions of goods above the recognition threshold of \$20,000 (per discrete contribution) are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to the peacekeeping operations and the fair value of those assets can be measured reliably. For vehicles, prefabricated buildings, satellite communication systems, generators and network equipment, a lower threshold of \$5,000 applies. Contributions in kind are initially measured at their fair value at the date of receipt, determined by reference to observable market values or by independent appraisals. The peacekeeping operations have elected not to recognize in-kind contributions of services but to disclose in-kind contributions of services above the threshold of \$20,000 in the notes to the financial statements.

Exchange revenue

82. Exchange transactions are those where the peacekeeping operations sell goods or services in exchange for compensation. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is recognized when it can be reliably measured, when the inflow of future economic benefits is probable and when specific criteria have been met, as follows:

(a) Revenue from commissions and fees for technical, procurement, training, administrative and other services rendered to Governments, United Nations entities and other partners is recognized when the service is performed;

(b) Exchange revenue also includes income from the rental of premises, the sale of used or surplus property and income from net gains resulting from currency exchange adjustments.

Investment revenue

83. Investment revenue includes the share of the peacekeeping operations of net cash pool income and other interest income. The net cash pool income includes any gains or losses on the sale of investments, which are calculated as the difference between the sale proceeds and book value. Transaction costs that are attributable directly to investment activities are netted against income and the net income is

distributed proportionately to all cash pool participants on the basis of their average daily balances. The cash pool income also includes the value of unrealized market gains and losses on securities, which is distributed proportionately to all participants on the basis of year-end balances.

Expenses

84. Expenses are decreases in economic benefits or service potential during the reporting year in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets and are recognized on an accrual basis when goods are delivered, and services are rendered, regardless of the terms of payment.

85. Employee salaries include international, national and general temporary staff salaries, post adjustment and staff assessment. The allowances and benefits include other staff entitlements, including pension and insurance subsidies, staff mission subsistence, assignment, repatriation, hardship and other allowances. Expenses for contingent contracted services relate to troop costs, contingent self-sustainment costs, contingent-owned equipment and contingent operations reimbursements, and compensation for troop death and disability costs. Non-employee compensation and allowances consist of living allowances and post-employment benefits for United Nations Volunteers, consultant fees, mission subsistence and clothing allowances, and death and disability, residential security and welfare costs for military observers and civilian police. Supplies and consumables expenses relate to spare parts and supplies for facilities, vehicles, machinery and equipment, and communications and information technology equipment, in addition to petroleum, oil and lubricant costs. This category of expenses also includes rations, medical supplies, uniforms and safety and security supplies. Grants and other transfers include outright grants and transfers to implementing agencies and partners for quick-impact projects as well as other direct support costs. Travel expenses include transportation, allowances and other related costs for staff and non-staff. Other operating expenses include maintenance, contractual services, rental of aircraft, mine action services, security services, shared services, rental of facilities, insurance, allowance for bad debt and write-off expenses. Other expenses relate to contributions in kind, hospitality and official functions, and ex gratia and compensation claims.

Note 4

Segment reporting

86. A segment is a distinguishable activity or group of activities for which financial information is reported separately in order to evaluate an entity's past performance in achieving its objectives and to make decisions about the future allocation of resources.

87. United Nations peacekeeping classifies its operations into three segments:

(a) *Active missions*

- | | | | |
|-----------|-----------|--------------------------|-----------|
| • UNFICYP | • UNDOF | • UNIFIL | • MINURSO |
| • UNMIK | • MONUSCO | • MINUJUSTH ³ | • UNAMID |
| • UNSOS | • UNISFA | • UNMISS | • MINUSMA |
| • MINUSCA | | | |

³ Closed on 15 October 2019.

(b) *Closed missions*

- UNMIL
- UNOCI
- UNSMIS
- UNMIT
- UNMIS
- MINURCAT
- UNOMIG
- UNMEE
- ONUB
- UNAMSIL/
UNOMSIL
- UNMISSET/UNTAET
- UNIKOM
- UNMIBH
- UNMOT
- MIPONUH/
UNSMIH/UNTMIH
- MINURCA
- MONUA/
UNAVEM
- UNPREDEP
- UNTAES/UNPSG
- UNOMIL
- UNPF
- MINUGUA
- UNMIH
- UNAMIR/UNOMUR
- ONUSAL
- ONUMOZ
- UNSOM
- UNMLT
- UNTAC
- UNTAG
- UNIIMOG
- UNEF (1956)
- ONUC

(c) *Support activities*

- Peacekeeping Reserve Fund
- Support account for peacekeeping operations
- UNLB/strategic deployment stocks
- RSCE
- Employee benefits funds
- Peacekeeping cost recovery

88. The segment revenue, expenses, assets and liabilities are set out below.

Segment performance and position, 30 June 2020

(Thousands of United States dollars)

<i>Current year</i>	<i>Active missions</i>	<i>Closed missions</i>	<i>Support activities</i>	<i>Eliminations</i>	<i>Total 2019/20</i>
Segment revenue					
Assessed contributions	6 897 950	–	–	–	6 897 950
Voluntary contributions	318 920	–	5 358	–	324 278
Transfers and allocations	–	–	441 538	(440 114) ^a	1 424
Other external sources	51 390	5 735	147 953	(88 237) ^b	116 841
Total revenue	7 268 260	5 735	594 849	(528 351)	7 340 493
Total segment expense	7 180 893	(11 941)	696 266	(528 351)	7 336 867
Surplus/(deficit) for the year	87 367	17 676	(101 417)	–	3 626

<i>Current year</i>	<i>Active missions</i>	<i>Closed missions</i>	<i>Support activities</i>	<i>Eliminations</i>	<i>Total 2019/20</i>
Segment assets	4 407 691	252 263	505 428	(68 828) ^c	5 096 554
Segment liabilities	2 382 040	259 308	2 021 336	(68 828) ^c	4 593 856
Total net assets	2 025 651	(7 045)	(1 515 908)	–	502 698
Capital expenditures	98 153	–	21 417	–	119 570

^a Allocation from active missions to support activities.

^b \$70.464 million for cost recovery between missions, \$14.536 million for the transfer of strategic deployment stocks to peacekeeping missions and the transfer of inventory and equipment between peacekeeping missions, and \$3.237 million for the allocation from active missions to the reserve fund for workers' compensation.

^c Cross-borrowings between missions.

Segment performance and position, 30 June 2019

(Thousands of United States dollars)

<i>Current year</i>	<i>Active missions</i>	<i>Closed missions</i>	<i>Support activities</i>	<i>Eliminations</i>	<i>Total 2018/19</i>
Segment revenue					
Assessed contributions	6 998 394	–	–	–	6 998 394
Voluntary contributions	350 372	–	5 319	–	355 691
Transfers and allocations	–	–	433 190	(432 594) ^a	596
Other external sources	50 366	4 384	94 800	(41 684) ^b	107 866
Total revenue	7 399 132	4 384	533 309	(474 278)	7 462 547
Total segment expense	7 542 292	(13 428)	678 153	(474 278)	7 732 739
Surplus/(deficit) for the year	(143 160)	17 812	(144 844)	–	(270 192)
Segment assets	4 100 555	240 843	483 823	(73 628) ^c	4 751 593
Segment liabilities	2 162 273	265 563	2 107 103	(73 628) ^c	4 461 311
Total net assets	1 938 282	(24 720)	(1 623 280)	–	290 282
Capital expenditures	182 300	–	27 619	–	209 919

^a Allocation from active missions to support activities.

^b \$23.465 million for cost recovery between missions, \$14.830 million for the transfer of strategic deployment stocks to peacekeeping missions and the transfer of inventory and equipment between peacekeeping missions, and \$3.389 million for the allocation from active missions to the reserve fund for workers' compensation.

^c Cross-borrowings between missions.

Note 5

Comparison to budget

89. Statement V, the statement of comparison of budget and actual amounts, presents the difference between budget amounts, which are prepared on a modified cash basis, and actual expenditure on a comparable basis.

90. Approved budgets are those that permit expenses to be incurred and are approved by the General Assembly. For IPSAS reporting purposes, approved budgets are the appropriations authorized for each mission under Assembly resolutions.

Material differences

91. The original budget amounts are the appropriations and voluntary contributions approved on 3 July 2019 by the General Assembly for the financial year from 1 July 2019 to 30 June 2020. The final budget reflects the original budget appropriation with any amendments by the Assembly and commitment authorities approved by the Advisory Committee on Administrative and Budgetary Questions.

92. Material differences between the final budget appropriation and actual expenditure on a modified accrual basis are deemed to be those greater than 5 per cent and are considered below.

<i>Mission</i>	<i>General Assembly resolution and ACABQ report</i>	<i>Note</i>
UNFICYP	73/314	Non-material difference
UNDOF	73/321	Expenditure 11.46 per cent (\$8.5 million) less than final appropriation: The underexpenditure was due mainly to higher actual vacancy rates compared with budgeted rates owing to the suspended planned rotation and deployment of uniformed personnel and the irregular higher turnover and delayed onboarding of international staff members towards the end of 2019, in connection with the COVID-19 pandemic
UNIFIL	73/322	Non-material difference
MINURSO	73/324	Non-material difference
UNMIK	73/318	Non-material difference
MONUSCO	73/315 and A/74/737/Add.12	Non-material difference
MINUJUSTH	73/317 and 74/260	Expenditure 19.89 per cent (\$10.4 million) less than final appropriation: The underexpenditure was due mainly to: (a) reduced requirements under military and police personnel attributable primarily to the earlier repatriation of United Nations police personnel and formed police units, compared with the repatriation plan that formed the basis for the budgeted estimates, and the lower freight cost for the repatriation of contingent-owned equipment, compared with budgeted estimates; and (b) reduced requirements under operational costs attributable primarily to the earlier closure of camps and other mission premises resulting in lower costs for utilities and waste disposal and lower consumption for fuel during the period, as well as the engagement of fewer individual contractual personnel to undertake liquidation activities, compared with the budgeted estimates

<i>Mission</i>	<i>General Assembly resolution and ACABQ report</i>	<i>Note</i>
UNAMID	73/278 B and 74/261 B	Non-material difference
UNSOS	73/325	Expenditure 6.95 (\$42.1 million) per cent less than final appropriation: The underexpenditure was due mainly to reduced requirements under: (a) military and police personnel, owing mostly to a new lower-cost contract for rations; (b) air operations, owing mostly to delayed deployment of fixed-wing and rotary-wing air assets; and (c) other supplies, services and equipment, owing mostly to reduced requirements for freight related to shipment of rations and to a lower-cost contract for third-party warehousing services
UNISFA	73/311	Non-material difference
UNMISS	73/323	Non-material difference
MINUSMA	73/320	Non-material difference
MINUSCA	73/312	Non-material difference
Support account	73/308	Non-material difference
UNLB – other activities	73/310	Non-material difference
RSCE	73/309	Non-material difference

93. The reconciliation between the actual amounts on a comparable basis in the statement of comparison of budget and actual amounts (statement V) and the actual amounts in the statement of cash flows (statement IV) is reflected in the table below.

Reconciliation of actual amounts on a comparable basis to statement of cash flows for the year ended 30 June 2020

(Thousands of United States dollars)

	<i>Operating</i>	<i>Investing</i>	<i>Financing</i>	<i>Total</i>
Actual amount on comparable basis (statement V)	(6 712 118)	–	–	(6 712 118)
Basis differences	(294 056)	(22 903)	–	(316 959)
Presentation differences	7 340 493	(250 673)	–	7 089 820
Actual amount in statement of cash flows (statement IV)	334 319	(273 576)	–	60 743

Reconciliation of actual amounts on a comparable basis to statement of cash flows for the year ended 30 June 2019

(Thousands of United States dollars)

	<i>Operating</i>	<i>Investing</i>	<i>Financing</i>	<i>Total</i>
Actual amount on comparable basis (statement V)	(7 117 880)	–	–	(7 117 880)
Basis differences	(326 041)	(175 361)	–	(501 402)
Presentation differences	7 462 547	146 700	–	7 609 247
Actual amount in statement of cash flows (statement IV)	18 626	(28 661)	–	(10 035)

94. Basis differences capture the differences resulting from preparing the budget on a modified cash basis. In order to reconcile the budgetary results with the statement of cash flows, the modified cash elements, such as commitments against budget, must be eliminated. These commitments do not represent cash flows while they pertain to budgetary expenditures. Similarly, IPSAS-specific differences such as payments against prior year commitments and investing cash flows relating to acquisition of property, plant and equipment or intangible assets are included to reconcile the budgetary results to the statement of cash flows.

95. Entity differences represent cash flows of fund groups other than those of the peacekeeping operations that are reported in the financial statements. The financial statements include results for all fund groups.

96. Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. Given that the budget reflects the reporting period, there are no timing differences.

97. Presentation differences are differences in the format and classification schemes in the statement of cash flows and the statement of comparison of budget and actual amounts. The latter does not include either income or the net changes in cash pool balances. Other presentation differences are amounts that are included in the statement of comparison of budget and actual amounts but that cannot be separated from the operating, investing and financing activities.

Note 6

Cash and cash equivalents

(Thousands of United States dollars)

	<i>30 June 2020</i>	<i>30 June 2019</i>
Cash at bank and on hand	3 943	657
Cash pool cash and term deposits – original maturity of three months or less	135 519	78 062
Total cash and cash equivalents	139 462	78 719

Note 7
Receivables from non-exchange transactions: assessed contributions

(Thousands of United States dollars)

	<i>30 June 2020</i>	<i>30 June 2019</i>
Assessed contributions	2 274 041	2 065 742
Allowance for doubtful receivables	(619 215)	(583 121)
Total assessed contributions receivable	1 654 826	1 482 621

Note 8
Receivables from non-exchange transactions: voluntary contributions

(Thousands of United States dollars)

	<i>30 June 2020</i>	<i>30 June 2019</i>
Voluntary contributions	5 252	12 508
Allowance for doubtful receivables	(5 252)	(5 286)
Total voluntary contributions receivable	–	7 222

Note 9
Other receivables

(Thousands of United States dollars)

	<i>30 June 2020</i>	<i>30 June 2019</i>
Member States	160 849	148 132
Receivables from United Nations-related party entities	15 646	18 346
Other exchange revenue receivables	11 508	12 694
Allowance for doubtful receivables	(141 168)	(134 894)
Total other receivables	46 835	44 278

Note 10
Inventories

98. Subsequent to the physical inventory reconciliation and optimization project of last year, missions continued to clean up inventory data. An adjustment of \$9.9 million recorded with a special physical inventory reconciliation and optimization project transaction identifier is included in the purchase and consumption of the current year. It is possible that more adjustment amounts were entered as regular receipt and issuance transactions, inflating the amount of purchase and consumption.

(Thousands of United States dollars)

	<i>Strategic reserves</i>	<i>Consumables and supplies</i>	<i>Total</i>
Opening inventory as at 1 July 2018	81 814	287 206	369 020
Purchase	39 203	347 468	386 671
Consumption	(41 476)	(371 065)	(412 541)
Impairment and write-offs	(1 030)	(8 960)	(9 990)
Total inventory as at 30 June 2019	78 511	254 649	333 160
Purchase	50 890	290 115	341 005
Consumption	(44 926)	(264 737)	(309 663)
Impairment and write-offs	(1)	(20 314)	(20 315)
Total inventory as at 30 June 2020	84 474	259 713	344 187

Note 11

Other assets

99. Deferred charges include education grant prepayments for future school years.

(Thousands of United States dollars)

	<i>30 June 2020</i>	<i>30 June 2019</i>
Deferred charges	10 588	8 137
Advances to UNDP and other United Nations agencies	2 762	8 180
Advances to military and other personnel	4 201	1 036
Advances to staff	5 454	2 314
Advances to vendors	1 517	374
Advance transfers	7 111	6 531
Other	264	8
Total other assets	31 897	26 581

Note 12

Property, plant and equipment

100. The net book value of property, plant and equipment as at 30 June 2020 was \$1,346.3 million (2018/19: \$1,545.7 million). The total cost of acquisitions during 2020 was \$119.6 million (2018/19: \$209.9 million).

101. During the year, the peacekeeping operations disposed of property, plant and equipment in the amount of \$77.4 million (2018/19: \$18.8 million), at net book value, which increased as a result of the liquidation activities of MINUJUSTH and the downsizing activities of UNAMID. Equipment was written down by \$18.8 million (2018/19: \$6.6 million), owing mainly to normal wear and tear and other reasons of \$11.1 million (2018/19: \$4.0 million), malfunctions and accidents of \$5.1 million (2018/19: \$1.2 million) and donations to host Governments of \$2.5 million (2018/19: \$1.4 million). Buildings and infrastructure were written down by \$58.6 million (2018/19: \$12.3 million), of which \$58.6 million was attributable to donations to host Governments (2018/19: \$12.1 million) and none (2018/19: \$0.2 million) to losses and other reasons.

102. During the year, no property, plant and equipment were reported as impaired (2018/19: none).

103. The peacekeeping operations had no significant heritage assets as at the reporting date (2018/19: none).

Property, plant and equipment: 2019/20

(Thousands of United States dollars)

	<i>Buildings</i>	<i>Infrastructure</i>	<i>Leasehold improvements</i>	<i>Furniture and fixtures</i>	<i>Communications and information technology equipment</i>	<i>Vehicles</i>	<i>Machinery and equipment</i>	<i>Assets under construction</i>	<i>Total</i>
Cost as at 1 July 2019	1 092 119	684 978	422	3 380	384 771	830 206	455 272	24 597	3 475 745
Additions	14 954	(1 106)	–	214	17 313	36 976	22 896	28 323	119 570
Disposals ^a	(147 758)	(61 182)	–	(173)	(60 065)	(105 436)	(75 741)	–	(450 355)
Completed assets under construction	7 800	3 372	–	–	–	–	–	(11 172)	–
Cost as at 30 June 2020	967 115	626 062	422	3 421	342 019	761 746	402 427	41 748	3 144 960
Accumulated depreciation and impairment as at 1 July 2019	(551 871)	(253 354)	(380)	(2 777)	(280 471)	(555 185)	(285 970)	–	(1 930 008)
Depreciation	(63 085)	(36 652)	(42)	(202)	(32 295)	(56 007)	(34 097)	–	(222 380)
Disposals ^a	102 311	35 117	–	169	58 017	93 887	64 187	–	353 688
Accumulated depreciation and impairment as at 30 June 2020	(512 645)	(254 889)	(422)	(2 810)	(254 749)	(517 305)	(255 880)	–	(1 798 700)
Net carrying amount									
1 July 2019	540 248	431 624	42	603	104 300	275 021	169 302	24 597	1 545 737
Net carrying amount 30 June 2020	454 470	371 173	–	611	87 270	244 441	146 547	41 748	1 346 260

^a \$19.321 million in net asset transfers have been reported under disposals.

Property, plant and equipment: 2018/19

(Thousands of United States dollars)

	<i>Buildings</i>	<i>Infrastructure</i>	<i>Leasehold improvements</i>	<i>Furniture and fixtures</i>	<i>Communications and information technology equipment</i>	<i>Vehicles</i>	<i>Machinery and equipment</i>	<i>Assets under construction</i>	<i>Total</i>
Cost as at 1 July 2018	1 011 539	642 330	422	3 399	377 151	833 798	431 190	69 000^a	3 368 829
Additions	30 088	–	–	181	36 782	27 943	37 805	77 120	209 919
Disposals	(14 581)	(12 923)	(879)	(200)	(29 162)	(31 535)	(13 723)	–	(103 003)
Completed assets under construction	65 073	55 571	879	–	–	–	–	(121 523)	–
Cost as at 30 June 2019	1 092 119	684 978	422	3 380	384 771	830 206	455 272	24 597	3 475 745
Accumulated depreciation and impairment as at 1 July 2018	(501 960)	(218 102)	(295)	(2 729)	(272 873)	(526 108)	(259 286)	–	(1 781 353)
Depreciation	(56 314)	(38 627)	(85)	(232)	(31 033)	(52 968)	(37 030)	–	(216 289)
Disposals ^b	6 403	3 375	–	184	23 435	23 891	10 346	–	67 634
Accumulated depreciation and impairment as at 30 June 2019	(551 871)	(253 354)	(380)	(2 777)	(280 471)	(555 185)	(285 970)	–	(1 930 008)
Net carrying amount									
1 July 2018	509 579	424 228	127	670	104 278	307 690	171 904	69 000	1 587 476
Net carrying amount 30 June 2019	540 248	431 624	42	603	104 300	275 021	169 302	24 597	1 545 737

^a Net of the impairment and write-offs of the prior year.^b \$16.563 million in net asset transfers have been reported under disposals.

Note 13
Intangible assets

(Thousands of United States dollars)

	<i>Software developed internally</i>	<i>Licence rights</i>	<i>Total</i>
Opening cost 1 July 2019	4 853	206	5 059
Additions	–	–	–
Total cost 30 June 2020	4 853	206	5 059
Opening accumulated amortization 1 July 2019	1 146	159	1 305
Amortization	531	47	578
Closing accumulated amortization 30 June 2020	1 677	206	1 883
Net book value 1 July 2019	3 707	47	3 754
Net book value 30 June 2020	3 176	–	3 176

104. The current approved budget for the Umoja project up to 31 December 2020 was \$566.4 million. The share of the Umoja project chargeable to the peacekeeping operations was \$351.1 million. During the current financial period, the peacekeeping operations contributed \$19.4 million (2018/19: \$28.9 million) to Umoja-related expenditure (see note 23, under grants and other transfers), bringing the total contributions to \$337.3 million as at 30 June 2020. Capitalizable expenditure related to Umoja is reported as an intangible asset in the financial statements of the United Nations, volume I, and the cost-sharing of peacekeeping operations is expensed in these financial statements.

Note 14
Accounts payable

(Thousands of United States dollars)

	<i>30 June 2020</i>	<i>30 June 2019</i>
Accruals for goods and services	535 524	523 681
Vendor payables	141 031	166 582
Payables to United Nations related party entities	3 687	6 865
Transfers payable	819	76
Other	12 503	13 304
Subtotal accounts payable and accrued liabilities	693 564	710 508
Member States accounts payable	1 558 965	1 337 587
Total accounts payable	2 252 529	2 048 095

Note 15
Advance receipts

105. Advance receipts relate to contributions received that will be applied to the subsequent years' assessment, as well as deferred income.

(Thousands of United States dollars)

	30 June 2020	30 June 2019
Advance receipts from Member States	4 327	21 982
Deferred income	2 519	5 683
Total advance receipts	6 846	27 665

Note 16
Employee benefits liabilities

(Thousands of United States dollars)

	Current	Non-current	Total
30 June 2020			
After-service health insurance	8 890	1 567 755	1 576 645
Annual leave	3 605	96 466	100 071
Repatriation benefits	9 892	225 032	234 924
Subtotal defined-benefit liabilities	22 387	1 889 253	1 911 640
Accrued salaries and allowances	45 780	–	45 780
Appendix D/workers' compensation	2 035	42 719	44 754
Total employee benefits liabilities	70 202	1 931 972	2 002 174
30 June 2019			
After-service health insurance	10 847	1 668 566	1 679 413
Annual leave	4 397	92 507	96 904
Repatriation benefits	11 765	225 840	237 605
Subtotal defined-benefit liabilities	27 009	1 986 913	2 013 922
Accrued salaries and allowances	39 978	–	39 978
Appendix D/workers' compensation	2 017	36 663	38 680
Total employee benefits liabilities	69 004	2 023 576	2 092 580

106. The liabilities arising from post-employment benefits and the workers' compensation programme under appendix D to the Staff Regulations and Rules are determined by independent actuaries. The actuarial valuation for after-service health insurance, annual leave and repatriation benefits is usually undertaken every two years, and the most recent full actuarial valuation was conducted as at 31 December 2019. The balances as at 30 June 2020 represent a roll forward of December 2019 valuation results carried out by the independent actuaries.

107. The Organization currently uses the initial entry date of active staff members in the United Nations Joint Staff Pension Fund to determine qualifying service periods for the valuation of after-service health insurance liabilities. The Organization will re-evaluate the initial entry date or gather the actual periods of participation in the United Nations health plans and use that updated census data for the next full actuarial valuation, to be undertaken as at 31 December 2021.

108. The peacekeeping operations review and select assumptions and methods used by the actuaries in the year-end valuation to determine the expense and contribution requirements for employee benefits. The principal actuarial assumptions are shown below.

Actuarial assumptions

(Percentage)

<i>Assumption</i>	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Annual leave</i>
Discount rates (30 June 2020)	3.24	2.36	2.32
Discount rates (30 June 2019)	3.90	3.25	3.36
Expected rate of medical cost increase (30 June 2020)	3.83–5.44	–	–
Expected rate of medical cost increase (30 June 2019)	3.84–5.50	–	–
Travel costs inflation (30 June 2020)	–	2.20	–
Travel costs inflation (30 June 2019)	–	2.20	–

109. The updated yield curves of Aon Hewitt were used for discount rate assumptions. Tabulated above are single equivalent rates that are based on discount rates used for different cash flows in the actuarial calculation.

110. Assumptions with the most impact on the actuarially valued employee benefits liabilities as at 30 June 2020, in addition to the discount rates discussed above, include changes in the per capita claims cost by age and age-related increases in claims. The tables below show the per capita claims cost at 65 years of age and the age-related increases in claims used in the actuarial valuations.

Per capita claims cost by age

(United States dollars)

<i>Plans</i>	<i>30 June 2020</i>	<i>30 June 2019^a</i>
United States plans		
Aetna/HIP/HMO – No Medicare	13 819	17 276
Aetna/HIP/HMO – Medicare	9 629	7 196
Blue Cross – No Medicare	10 985	13 858
Blue Cross – Medicare	9 422	7 162
Cigna Dental	932	1 142
Non-United States plans		
UNSMIS	6 382	6 680
Cigna WWP/FMIP/SMIP/GKK	3 361	6 536
MIP	1 889	2 527/2 679 ^b

Abbreviations: FMIP, full medical insurance plan; GKK, *Wiener Gebietskrankenkasse*; HIP, health insurance plan of New York; HMO, health maintenance organization; MIP, medical insurance plan; SMIP, supplemental medical insurance plan; WWP, worldwide plan.

^a Statistics by age groupings are not available. Assumptions were therefore calculated at average age and adjusted to 65 years of age (based on former age-related increase in the claims curve).

^b A specific assumption was used for MIP (United Nations and UNDP)/Allianz (UNIDO).

Age-related increases in claims

(Percentage)

Beneficiary age	30 June 2020							
	Aetna/HIP/HMO		Blue Cross		Cigna Dental	UNSMIS	Cigna/ WWP/FMIP/ SMIP/GKK	MIP
	Non-Medicare	Medicare	Non-Medicare	Medicare				
40	1.4	3.4	1.8	0.4	2.0	2.0	3.3	3.3
45	1.4	5.9	1.8	0.5	1.6	2.4	3.3	3.3
50	1.4	1.2	1.8	4.9	1.3	3.1	3.3	3.3
55	1.4	1.3	1.8	2.3	0.9	3.9	3.3	3.3
60	1.4	7.0	1.8	0.2	0.4	4.5	3.3	3.3
65	1.4	6.5	1.8	9.9	0.1	4.8	3.3	3.3
70	1.4	0.3	1.8	2.0	0.6	5.1	3.4	3.4
75	1.4	0.2	1.8	1.1	1.4	4.9	3.4	3.4
80	1.4	4.6	1.8	3.1	2.6	4.5	3.4	3.4
85	1.4	0.1	1.8	16.0	4.3	4.0	3.4	3.4

Abbreviations: FMIP, full medical insurance plan; GKK, *Wiener Gebietskrankenkasse*; HIP, health insurance plan of New York; HMO, health maintenance organization; MIP, medical insurance plan; SMIP, supplemental medical insurance plan; WWP, worldwide plan.

111. The per capita claim costs for the after-service health insurance plans are updated to reflect recent claims and enrolment experience. The health-care cost trend rate assumption is revised to reflect the current short-term expectations of the after-service health insurance plan cost increases and the economic environment. Medical cost trend assumptions used for the valuation were based on Aon Hewitt long-term assumption.

Health-care cost trend assumptions

(Percentage)

	30 June 2020			30 June 2019		
	Initial	Final	Grade down	Initial	Final	Grade down
United States non-Medicare	5.44	3.85	13 years	5.50	3.85	14 years
United States Medicare	5.26	3.85	13 years	5.32	3.85	14 years
United States dental	4.66	3.85	13 years	4.70	3.85	14 years
Non-United States, Switzerland	3.76	2.85	8 years	3.84	3.05	9 years
Non-United States, Eurozone	3.83	3.65	3 years	3.87	3.65	4 years

112. The salary increase assumptions for staff in the Professional and higher categories were 9.27 per cent at the age of 23, grading down to 3.97 per cent at the age of 70. The salaries of staff in the General Service category were assumed to increase by 6.84 per cent at the age of 19, grading down to 3.47 per cent at the age of 70. Those assumptions were used for the United Nations Joint Staff Pension Fund scheme and implemented for this actuarial valuation to ensure modelling consistency.

113. Annual leave balances were assumed to increase at the following annual rates during the staff member's projected years of service: 0–3 years – 10.9 per cent; 4–8 years – 1.0 per cent; and more than 9 years – 0.5 per cent, up to the maximum 60 days.

114. For defined-benefit plans, assumptions regarding future mortality are based on published statistics and mortality tables. Retirement, withdrawal and mortality assumptions are consistent with those used by the United Nations Joint Staff Pension Fund in making its actuarial valuation.

Movement in employee benefits liabilities accounted for as defined-benefits plans

(Thousands of United States dollars)

	30 June 2020	30 June 2019
Net defined-benefit liability at 1 July	2 013 922	1 647 923
Current service cost	99 855	113 860
Interest cost	65 018	72 041
Benefits paid	(51 636)	(45 642)
Total net costs recognized in the statement of financial performance	113 237	140 259
Adjustment and actuarial (gains)/losses recognized directly in the statement of changes in net assets ^a	(215 519)	225 740
Net defined-benefit liability at 30 June	1 911 640	2 013 922

^a Cumulative amount of actuarial gains and losses recognized in the statement of changes in net assets is a net gain of \$113.677 million (2018/19: net loss of \$101.842 million).

Discount rate sensitivity analysis

115. Should the discount rate assumption vary by 0.5 per cent, its impact on the obligations would be as shown below.

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Annual leave</i>
30 June 2020			
Increase of discount rate by 0.5 per cent	(171 589)	(7 984)	(4 150)
As a percentage of end-of-year liability	(11)	(3)	(4)
Decrease of discount rate by 0.5 per cent	200 667	8 500	4 467
As a percentage of end-of-year liability	13	4	4
30 June 2019			
Increase of discount rate by 0.5 per cent	(177 762)	(9 631)	(4 413)
As a percentage of end-of-year liability	(11)	(4)	(5)
Decrease of discount rate by 0.5 per cent	207 390	10 311	4 762
As a percentage of end-of-year liability	13	4	5

Medical cost sensitivity analysis

116. The principal assumption in the valuation of the after-service health insurance is the rate at which medical costs are expected to increase in the future. The sensitivity analysis looks at the change in liability due to changes in the medical cost rates while holding other assumptions constant, such as the discount rate. Should the medical cost trend assumption vary by 0.5 per cent, this would have an impact on the measurement of the defined-benefit obligations as shown below.

(Thousands of United States dollars)

	30 June 2020		30 June 2019	
	Increase	Decrease	Increase	Decrease
0.5 per cent movement in the assumed medical cost trend rates				
Effect on the after-service health insurance defined-benefit liabilities	193 737	(167 649)	158 084	(181 544)
Effect on the aggregate of the current service cost and interest cost	18 431	(15 685)	15 979	(18 003)

Other defined-benefit plan information

117. The benefits paid are estimates of what would have been paid to separating staff and/or retirees during the year based on the pattern of rights acquisition under each scheme: after-service health insurance, repatriation and commutation of accrued annual leave.

Benefits paid, net of participant contributions

(Thousands of United States dollars)

Year ended	After-service health insurance	Repatriation benefits	Annual leave	Total
30 June 2020	19 427	23 532	8 677	51 636
30 June 2019	20 310	18 039	7 293	45 642

Historical information: total after-service health insurance, annual leave and repatriation defined-benefits liability, as at 30 June

(Thousands of United States dollars)

	2019	2018	2017	2016	2015
Present value of defined-benefit obligations	2 013 922	1 647 923	1 756 938	1 663 547	1 507 334

Accrued salaries and allowances

118. Other accrued salaries liabilities as at the reporting date include accruals for home leave of \$29.9 million (2018/19: \$24.8 million), repatriation and resettlement allowances of \$6.1 million (2018/19: \$5.4 million), family visits of \$1.2 million (2018/19: \$1.2 million), compensatory time off of \$2.4 million (2018/19: \$1.7 million) and other accrued salaries and other benefits of \$6.2 million (2018/19: \$6.9 million).

Fund for peacekeeping compensation payments: appendix D/workers' compensation

119. The fund for compensation payments relates to death, injury or illness attributable to the performance of official duties. The rules governing the compensation payments are under appendix D to the Staff Regulations and Rules. The fund derives its revenue from a charge of 0.5 per cent of net base salary, including post adjustment, which is recorded as employee expenses against the budgets of the peacekeeping missions. The fund covers appendix D claims submitted by peacekeeping personnel, covering monthly death and disability benefits and lump-sum payments for injury or illness as well as medical expenses.

120. The workers' compensation liability is actuarially valued. The liabilities are determined from the projected benefits, which are increased for cost-of-living allowance, decreased for mortality and then discounted to present value. Obligations as at 30 June 2020, estimated at \$44.8 million, are based on a roll forward of the 31 December 2019 valuation. The cost-of-living adjustment is the same as that used in the 31 December 2019 valuation of the United Nations Joint Staff Pension Fund, which was 2.20 per cent. Mortality assumptions are based on WHO statistical tables. As with defined-benefit liabilities, Aon Hewitt yield curves are used in determining discount rates.

121. The sensitivity analysis looks at the change in liability resulting from changes in the cost-of-living adjustment and in the discount rates. A change of 1 per cent would have an impact on the measurement of the appendix D obligation as shown below.

(Thousands of United States dollars)

	30 June 2020	30 June 2019
Increase of cost-of-living adjustment by 1 per cent	6 850	5 585
As a percentage of end-of-year liability	15	14
Decrease of cost-of-living adjustment by 1 per cent	(5 630)	(4 500)
As a percentage of end-of-year liability	(13)	(12)
Increase of discount rate by 1 per cent	2 919	(4 565)
As a percentage of end-of-year liability	(7)	(12)
Decrease of discount rate by 1 per cent	3 536	5 727
As a percentage of end-of-year liability	8	15

United Nations Joint Staff Pension Fund

122. It is stated in the Regulations of the United Nations Joint Staff Pension Fund that the Pension Board shall have an actuarial valuation made of the Pension Fund at least once every three years by the consulting actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the open group aggregate method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

123. The financial obligation of the United Nations peacekeeping operations to the Pension Fund consists of the mandated contribution, at the rate established by the General Assembly (currently at 7.90 per cent for participants and 15.80 per cent for member organizations), together with a share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are payable only if and when the Assembly has invoked the provision of article 26, following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as at the valuation date. Each member organization shall contribute to remedying this deficiency with an amount proportionate to the total contributions that each paid during the three years preceding the valuation date.

124. The actuarial valuation performed as at 31 December 2019 resulted in a funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, of 144.4 per cent (2017: 139.2 per cent). The funded ratio was 107.1 per cent (2017: 102.7 per cent) when the current system of pension adjustments was taken into account.

125. The actuarial valuation of 2019 revealed an actuarial surplus of 0.50 per cent (2017: deficit of 0.05 per cent) of pensionable remuneration.

126. The Board of Auditors carries out an annual audit of the Pension Fund and reports to the Pension Board and to the General Assembly on the audit every year. The Pension Fund publishes quarterly reports on its investments, which can be viewed on the Fund's website (www.unjspf.org).

Termination benefits

127. The United Nations peacekeeping operations had no liabilities for termination benefits as at the reporting date (2018/19: none).

Note 17 **Provisions**

128. The peacekeeping missions are subject to a variety of claims that arise in the course of their operations. These claims are segregated into two main categories: commercial and administrative law claims. As at the reporting date, several commercial claims for non-performance or breach of contract and non-consensual use of premises were pending against several peacekeeping operations in various locations. As at 30 June 2020, the amount to settle these cases was estimated at \$15.8 million (2018/19: \$10.4 million), including \$5.8 million (2018/19: \$8.7 million) carried over from the prior year. A provision of \$1.1 million (2018/19: \$1.2 million) was established for administrative cases brought by current or former employees. The timing of the outflows for these commercial claims and administrative cases is estimated to be within one year.

129. The restoration provisions of \$12.8 million (2018/19: \$11.3 million) to return premises to their original shape and condition upon vacation of the premises includes new provisions of \$1.7 million for UNSOS and MINUSCA. The timing of the outflows for restoration provisions cannot be reasonably estimated.

130. Provisions have been made in the amount of \$233.5 million (2018/19: \$183.8 million) for credits to Member States. Provisions of \$9.9 million were retained for UNMIL, UNOCI and MINUSTAH/MINUJUSTH. The provisions totalled \$243.4 million (2018/19: \$190.6 million). The credits to Member States for active missions comprise uncommitted appropriations of \$99.1 million (2018/19: \$40.6 million), investment revenue of \$35.0 million (2018/19: \$36.5 million), other revenue and prior-period adjustment of \$16.0 million (2018/19: \$5.5 million) and cancellation of prior-period commitments amounting to \$83.4 million (2018/19: \$101.2 million). The disposal of these provisions for credits to Member States will be decided by the General Assembly in the next fiscal year

(Thousands of United States dollars)

	<i>Credits to Member States</i>	<i>Litigation and claims</i>	<i>Restoration</i>	<i>Restructuring</i>	<i>Total</i>
Provisions as at 1 July 2018	200 460	11 534	4 541	–	216 535
Additional provisions made	183 867	2 132	7 086	20 255	213 340
Unused amounts reversed	(3 579)	(1 846)	(325)	–	(5 750)
Amounts used	(190 114)	(256)	(10)	–	(190 380)
Provisions as at 30 June 2019	190 634	11 564	11 292	20 255	233 745

	<i>Credits to Member States</i>	<i>Litigation and claims</i>	<i>Restoration</i>	<i>Restructuring</i>	<i>Total</i>
Additional provisions made	233 487	10 061	1 731	–	245 279
Unused amounts reversed	(514)	(4 210)	(195)	–	(4 919)
Amounts used	(180 208)	(515)	(16)	(20 255)	(200 994)
Provisions as at 30 June 2020	243 399	16 900	12 812	–	273 111

Note 18
Other liabilities

(Thousands of United States dollars)

	<i>30 June 2020</i>	<i>30 June 2019</i>
Borrowings ^a	47 376	47 376
Other liabilities	11 820	11 850
Total other liabilities	59 196	59 226

^a See note 25 regarding payables to the United Nations General Fund (para. 196).

Note 19
Accumulated surpluses/deficits

131. The unrestricted accumulated surplus includes the accumulated deficit for liabilities for after-service health insurance, repatriation benefits and annual leave. It also includes the cumulative surplus of strategic deployment stocks, which is carried over to the next financial year for the replenishment of stocks, and the cumulative surplus in the peacekeeping cost recovery fund, which is carried over for spending.

Accumulated surplus: restricted

132. On a number of occasions, the General Assembly has authorized UNDOF and UNIFIL to retain surpluses that otherwise would have been returned to Member States. Accumulated surpluses of \$36.0 million and \$19.6 million in UNDOF and UNIFIL, respectively, are presented as restricted in the statement of financial position and the statement of changes in net assets. Those amounts correspond to the unpaid assessed contributions that were put on hold by the Assembly in its resolution 36/116 A.

133. In its resolution 57/323, the General Assembly decided to suspend the return of accumulated surpluses for UNSMIH, UNTMIH, MIPONUH, MINURCA, MINUGUA, UNOSOM and UNTAC in the light of the cash shortages in those missions. The accumulated surpluses of those missions are presented as restricted in the statement of financial position and the statement of changes in net assets.

Note 20
Reserves

Peacekeeping Reserve Fund

134. The Peacekeeping Reserve Fund was established as a cash flow mechanism to support the rapid response of peacekeeping operations to meet expenses and capital requirements for the start-up or expansion of peacekeeping operations. During the current financial period, the Peacekeeping Reserve Fund has not provided any new loans (2018/19: none).

135. As at the reporting date, outstanding advances in an amount of \$12.8 million were due from MINURCA (2018/19: \$12.8 million), which have been outstanding since February 2000 owing to insufficient cash resources in the mission.

136. As at the reporting date, the Peacekeeping Reserve Fund had reserves of \$150.0 million (2018/19: \$150.0 million) and a cumulative surplus of \$7.5 million (2018/19: \$5.8 million), representing investment revenue of \$3.7 million for the period ended 30 June 2020 and \$3.8 million for the period ended 30 June 2019. The latter amount will be applied to meet the requirements of the support account for peacekeeping operations for 2020/21. The cumulative surplus of \$3.7 million related to the period ended 30 June 2020 is available for future utilization as directed by the General Assembly.

Note 21

Revenue from non-exchange transactions and other revenues

Assessed contributions

137. Assessed contributions of \$6,898.0 million (2018/19: \$6,998.4 million) have been recorded in accordance with the Financial Regulations and Rules, the relevant resolutions of the General Assembly and the policies of the United Nations, on the basis of the peacekeeping scale of assessment.

Voluntary contributions

138. Voluntary contributions in cash were received for UNFICYP. Revenue from in-kind contributions represents contributions of goods, landing rights fees, airport fees, vehicle registration fees and permission to use facilities and premises. On the basis of fair rental value, a total of \$282.4 million (2018/19: \$308.7 million) representing facilities and premises was provided during the reporting period. Landing fees and other fees at airports totalling \$16.3 million (2018/19: \$20.5 million) and vehicle registration fees of \$1.5 million (2018/19: \$1.7 million) were waived. A variety of goods were provided and fees waived amounting to \$0.4 million (2018/19: \$0.4 million), bringing total in-kind contributions to \$300.6 million (2018/19: \$331.3 million).

(Thousands of United States dollars)

	2019/20	2018/19
Voluntary monetary contributions (Member States)	23 651	24 388
Voluntary in-kind contributions (Member States)	300 627	331 303
Total voluntary contributions	324 278	355 691

139. In-kind contributions of services are not recognized and are therefore not included in the in-kind contributions revenue above. These comprise various fees for services that are usually charged. Such waived fees included airport passenger taxes of \$4.1 million (2018/19: \$5.1 million), radio frequency fees of \$3.1 million (2018/19: \$2.8 million) and other services amounting to \$0.4 million (2018/19: \$0.2 million).

Other transfers and allocations

140. The other transfers and allocations of \$1.4 million (2018/19: \$0.6 million) represent the allocation from special political missions to RSCE.

Other revenue from exchange transactions

141. The majority of other revenue was generated from the cost recovery fund (see note 25, para. 201). The cost recovery revenue of \$55.8 million (2018/19: \$52.9 million) comprises \$36.2 million (2018/19: \$34.9 million) for fuel, facilities and logistical support provided to other United Nations agencies, Member States, non-governmental organizations and international agencies, and \$19.6 million (2018/19: \$18.0 million) to vendors and other external entities. Including the revenue of \$70.5 million (2018/19: \$23.5 million) for the services provided between peacekeeping missions and, accordingly, eliminated in the consolidated financial statements, the total revenue of the cost recovery fund was \$126.3 million (2018/19: \$76.4 million).

(Thousands of United States dollars)

	2019/20	2018/19
Revenue generated from the cost recovery fund	55 816	52 899
Revenue from sale of equipment and inventory	4 892	1 815
Net foreign exchange gains	4 683	1 513
Other miscellaneous revenue	1 733	1 935
Total other revenue	67 124	58 162

Note 22

Financial instruments and the cash pool

Cash pool

142. In addition to directly held cash and cash equivalents, the peacekeeping operations participate in the United Nations Treasury main pool. The main pool comprises operational bank account balances in a number of currencies and investments in financial instruments. The pooling of funds has a positive effect on overall investment performance and risk, because of economies of scale and by virtue of the ability to spread yield curve exposures across a range of maturities. The allocation of main pool assets (cash and cash equivalents, short-term investments and long-term investments) and income is based on each participating entity's principal balance. The financial instruments of the main pool are held for trading purposes and are therefore carried at fair value through surplus and deficit. There is no financial instrument held for other purposes or designated upon initial recognition as at fair value through surplus or deficit.

143. As at 30 June 2020, the main pool held total assets of \$9,373.2 million (2018/19: \$8,053.6 million), of which \$1,655.7 million (2018/19: \$1,307.6 million) pertained to the peacekeeping operations. Their share of net income from the main pool was \$48.9 million (2018/19: \$48.9 million).

Financial instruments

(Thousands of United States dollars)

	Note	30 June 2020	30 June 2019
Financial assets			
Fair value through surplus or deficit			
Short-term investments – share of main pool ^a		1 111 525	1 116 666
Long-term investments – share of main pool ^b		418 386	112 855
Total assets at fair value through surplus or deficit		1 529 911	1 229 521
Loans and receivables			
Cash and cash equivalents – share of main pool	6	135 519	78 062
Cash and cash equivalents – other	6	3 943	657
Subtotal cash and cash equivalents		139 462	78 719
Assessed contributions	7	1 654 826	1 482 621
Voluntary contributions	8	–	7 222
Other receivables	9	46 835	44 278
Other assets (excludes deferred charges)	11	21 309	18 444
Total loans and receivables		1 862 432	1 631 284
Total carrying amount of financial assets		3 392 343	2 860 805
Total financial assets relating to assets held in the main pool		1 665 430	1 307 583
Financial liabilities at amortized cost			
Accounts payable – Member States	14	1 558 965	1 337 587
Accounts payable – other	14	693 564	710 508
Other liabilities (excludes borrowings)	18	11 820	11 850
Total liabilities at amortized cost		2 264 349	2 059 945
Summary of net income from financial assets			
Net main cash pool income		48 885	48 940
Other investment revenue		832	764
Total investment revenue		49 717	49 704

^a Carrying amount: \$1,110.246 million at 30 June 2020, \$1,117.015 million at 30 June 2019.^b Carrying amount: \$409.937 million at 30 June 2020, \$113.633 million at 30 June 2019.**Revenue from financial instruments**

(Thousands of United States dollars)

	2019/20	2018/19
Financial instruments carried at fair value		
Investment revenue – share of main pool	38 025	43 322
Unrealized gains/(losses) – share of main pool	10 860	5 618
Revenue from financial assets carried at fair value	48 885	48 940

	2019/20	2018/19
Financial instruments not carried at fair value		
Realized/unrealized gains/(losses)	–	–
Total revenue from financial instruments	48 885	48 940

Financial risk management: overview

144. The peacekeeping operations have exposure to the following financial risks:

- (a) Credit risk;
- (b) Liquidity risk;
- (c) Market risk.

145. The present note provides information on the exposure of the peacekeeping operations to these risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

Financial risk management: risk management framework

146. The risk management practices of the peacekeeping operations are in accordance with the Financial Regulations and Rules and the United Nations Investment Management Guidelines. The United Nations Treasury is responsible for investment and risk management for the cash pools, including conducting investment activities in accordance with the Guidelines.

147. The objective of investment management is to preserve capital and ensure sufficient liquidity to meet operating cash requirements while attaining a competitive market rate of return on each investment pool. Investment quality, safety and liquidity are emphasized over the market-rate-of-return component of the objectives.

148. An Investment Committee periodically evaluates investment performance and assesses compliance with the Guidelines and makes recommendations for updates to them. Other than those disclosed, the peacekeeping operations have not identified any further risk concentrations arising from financial instruments.

149. The peacekeeping operations define the capital that they manage as the aggregate of their net assets, which comprises accumulated fund balances and reserves. The objectives are to safeguard the ability of the operations to continue as a going concern and to fulfil the mandates of the peacekeeping missions. The peacekeeping operations manage their capital in the light of global economic conditions, the risk characteristics of the underlying assets and their current and future working capital requirements.

Financial risk management: credit risk

150. Credit risk is the risk of financial loss resulting from a counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises from cash and cash equivalents, investments, deposits and forward currency contracts with financial institutions, as well as credit exposure to outstanding receivables. The carrying value of financial assets is the maximum exposure to credit risk.

Credit risk: management

151. The Investment Management Guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible main pool investments may include, but are not restricted to, bank deposits, commercial paper, supranational securities,

government agency securities and government securities with maturities of five years or fewer. The main pool does not invest in derivative instruments such as asset-backed or mortgage-backed securities or in equity products.

152. The investment management function is centralized at United Nations Headquarters, and under normal circumstances missions are not permitted to engage in investing.

Credit risk: contributions receivable and other receivables

153. A large portion of contributions receivable is due from Member States and other United Nations entities that do not have significant credit risk. As at the reporting date, the peacekeeping operations did not hold any collateral as security for receivables (2018/19: none).

Credit risk: allowance for doubtful receivables

154. The peacekeeping operations evaluate the allowance for doubtful receivables at each reporting date. An allowance is established when there is objective evidence that the peacekeeping operation will not collect the full amount due. Balances credited to the allowance for doubtful receivables account are utilized when management approves write-offs under the Financial Regulations and Rules or are reversed when previously impaired receivables are received. The movement in the allowances account during the year is shown below.

(Thousands of United States dollars)

	2019/20	2018/19
Allowance for doubtful receivables as at 1 July	723 301	736 945
Amounts written off	(642)	(150)
Adjustments during the year	42 976	(13 494)
Allowance for doubtful receivables as at 30 June	765 635	723 301

155. On the basis of their monitoring of credit risk, the peacekeeping operations believe that, except as indicated, no impairment allowance is necessary in respect of receivables.

Credit risk: assessed contributions

156. The ageing and associated allowance of assessed contributions receivable are shown below.

Ageing of assessed contributions receivable

(Thousands of United States dollars)

	2019/20		2018/19	
	<i>Gross receivable</i>	<i>Allowance</i>	<i>Gross receivable</i>	<i>Allowance</i>
Less than one year	1 308 507	–	1 101 833	–
One to two years	146 544	–	140 877	–
More than two years	818 990	619 215	823 032	583 121
Total	2 274 041	619 215	2 065 742	583 121

Credit risk: voluntary contributions and other receivables

157. The ageing and associated allowance of receivables other than assessed contributions are shown below.

Ageing of voluntary contributions and other receivables

(Thousands of United States dollars)

	2019/20		2018/19	
	Gross receivable	Allowance	Gross receivable	Allowance
Neither past due nor impaired	3 265	–	3 422	–
Less than one year	30 139	–	40 624	–
One to two years	13 225	3 306	8 272	2 068
Two to three years	8 780	5 268	3 125	1 875
More than three years	137 846	137 846	136 237	136 237
Total	193 255	146 420	191 680	140 180

Credit risk: cash and cash equivalents

158. The peacekeeping operations had cash and cash equivalents of \$139.5 million (2018/19: \$78.7 million) as at the reporting date, which is the maximum credit exposure on these assets.

Credit risk: cash pool investments

159. It is required under the Investment Management Guidelines that investments not be made in issuers whose credit ratings are below specifications, and provide for maximum concentrations with given issuers. With regard to the current and prior years, those requirements were met at the time the investments were made. The credit ratings used for the main pool are those determined by major credit-rating agencies; Standard & Poor's Financial Services, Moody's Investors Service and Fitch Ratings are used to rate bonds and discounted instruments, and the Fitch viability rating is used to rate bank term deposits.

Investments of the main pool by credit ratings as at year end

Investment	Ratings as at 30 June 2020	Ratings as at 30 June 2019
Bonds (long-term ratings)	S&P: 44.9% AAA, 47.3% AA+/AA/AA- and 7.8% not rated; Fitch: 60% AAA, 18.6% AA+/AA/AA- and 21.4% not rated; Moody's: 55.5% Aaa, 36.8% Aa1/Aa2/Aa3 and 7.7% not rated	S&P: 93.4% AA+/AA/AA- and 6.6% A+; Fitch: 67.2% AAA, 32.8% AA; Moody's: 54.1% Aaa and 45.9% Aa1/Aa2

<i>Investment</i>	<i>Ratings as at 30 June 2020</i>	<i>Ratings as at 30 June 2019</i>
Commercial papers (short-term ratings)	S&P: 100% A-1+; Fitch: 72.9% F1+/F1, 27.1% not rated; Moody's: 92.3% P-1, 7.7% P-3	None
Reverse repurchase agreements (short-term ratings)	None	S&P: 100% A-1+; Fitch: 100% F1+; Moody's: 100% P-1
Term deposits (Fitch viability ratings)	Fitch: 39.7% aa- and 60.3% a+/a	Fitch: 52.3% aa/aa- and 47.7% a+/a/a-
Certificates of deposit (short-term ratings)	S&P: 100% A1+/A1; Fitch: 100% F1+/F1; Moody's: 100% P-1	S&P: 100% A1+; ^a Fitch: 100% F1+; ^a Moody's: 100% P-1 ^a

^a Corrected.

160. The United Nations Treasury actively monitors credit ratings and, given that it has invested only in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except for any impaired investments.

Financial risk management: liquidity risk

161. Liquidity risk is the risk that the peacekeeping operations may not have adequate funds to meet their obligations as they fall due. The approach to managing liquidity is to ensure that an operation will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the reputation of the peacekeeping operations.

162. It is required under the Financial Regulations and Rules that expenses be incurred after the receipt of funds from donors, thereby considerably reducing the liquidity risk with regard to assessed contributions, which are a largely stable annual cash flow. Exceptions to incurring expenses prior to the receipt of funds are permitted only if specified risk management criteria are adhered to with regard to amounts receivable.

163. The peacekeeping operations perform cash flow forecasting and monitor rolling forecasts of liquidity requirements to ensure there is sufficient cash to meet operational needs. Investments are made with due consideration to the cash requirements for operating purposes based on cash flow forecasting. The peacekeeping operations maintain a large portion of their investments in cash equivalents and short-term investments sufficient to cover their commitments as and when they fall due.

164. The periodic cash shortage in MINURSO and UNMIK persisted in 2019/20, and the two missions had to borrow from another active peacekeeping mission, MINUSMA. The loans payable as at 30 June 2020 for MINURSO and UNMIK were \$15.0 million and \$30.0 million, respectively (2018/19: \$15.0 million and \$28.8 million), bringing the total outstanding cross-borrowings as at 30 June 2020 to \$45.0 million (2018/19: \$43.8 million). The overall liquidity situations of all other peacekeeping missions, except UNSOS, at the end of June 2020 were good, and

UNSOS borrowed \$35.0 million from MINUSMA in July 2020, which was refunded in the same month.

165. At the beginning of 2019, the Secretary-General, in his report on improving the financial situation of the United Nations (A/73/809), discussed the deteriorating state of liquidity in the peacekeeping and regular budgets. While the liquidity problem is driven by the delay in the payments of assessed contributions by the Member States, the ability to respond adequately to the liquidity challenges is hampered by restrictions put in place by Member States. The Secretary-General presented a set of proposals for removing these restrictions and building more resilience in cash management, two of which were endorsed by the General Assembly: the removal of the restriction on the cross-borrowing of cash for active missions; and an assessment for the full budget period, including the non-mandated period.

Liquidity risk: cash pool investments

166. The main pool is exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. It maintains sufficient cash and marketable securities to meet participants' commitments as and when they fall due. The major portion of cash and cash equivalents and investments are available within one day's notice to support operational requirements. Main pool liquidity risk is therefore considered to be low.

Liquidity risk: financial liabilities

167. The exposure to liquidity risk is based on the notion that the entity may encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely owing to the cash and cash equivalents, receivables and investments available to the entity and internal policies and procedures put in place to ensure that there are appropriate resources to meet its financial obligations. As at the reporting date, the peacekeeping operations had not pledged any collateral for any liabilities or contingent liabilities (2018/19: none), and during the year no accounts payable or other liabilities were forgiven by third parties (2018/19: none). Maturities for financial liabilities based on the earliest date at which the peacekeeping operations can be required to settle each financial liability are shown below.

Maturities for financial liabilities, undiscounted

(Thousands of United States dollars)

	<i><3 months</i>	<i>3 to 12 months</i>	<i>>1 year</i>	<i>Total</i>
As at 30 June 2020				
Accounts payable and accrued payables	2 252 529	–	–	2 252 529
Other liabilities (excludes borrowings)	11 820	–	–	11 820
Total as at 30 June 2020	2 264 349	–	–	2 264 349
As at 30 June 2019				
Accounts payable and accrued payables	2 048 095	–	–	2 048 095
Other liabilities (excludes borrowings)	11 850	–	–	11 850
Total as at 30 June 2019	2 059 945	–	–	2 059 945

Financial risk management: market risk

168. Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices of investment securities, will affect the revenue of the peacekeeping operations or the value of their financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the fiscal position.

Market risk: currency risk

169. Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in foreign exchange rates. The peacekeeping operations have transactions, assets and liabilities in currencies other than in their functional currency and are exposed to currency risk arising from fluctuations in currency exchange rates.

170. Non-United States dollar holdings have the primary objective of supporting local operating activities in mission countries. The peacekeeping operations maintain a minimum level of assets in local currencies and, whenever possible, maintain bank accounts in United States dollars. Some cash is held in currencies that are either legally restricted or not readily convertible to United States dollars and used exclusively for local expenses in the respective countries.

171. The peacekeeping operations mitigate currency risk exposure by structuring contributions from donors in foreign currency to correspond to the foreign currency needs for operational purposes. Given that the main pool is predominantly denominated in United States dollars, it has low currency risk and, in conjunction with the low risk of other financial instruments, the peacekeeping operations consider currency risk to be low (2018/19: currency risk considered to be low).

Market risk: interest rate risk

172. Interest rate risk is the risk of variability in fair values or future cash flows of financial instruments owing to changes in interest rates. In general, as an interest rate rises, the price of a fixed-rate security falls, and vice versa. Interest rate risk is commonly measured by the fixed-rate security's duration, expressed in years. The longer the duration, the greater the interest rate risk.

173. Fixed-rate cash, cash equivalents and investments are the interest-bearing financial instruments of the peacekeeping operations. The main pool comprises their main exposure to interest rate risk. As at the reporting date, the main pool was invested primarily in securities with shorter terms to maturity, with the maximum being fewer than five years (2018/19: fewer than four years). The average duration of the main pool was 0.79 years (2018/19: 0.48 years), which is considered to be an indicator of low risk.

Market risk: cash pool interest rate risk sensitivity analysis

174. The cash pool interest rate risk sensitivity analysis shows how the fair value of the main pool as at the reporting date would increase or decrease should the overall yield curve shift in response to changes in interest rates. Given that these investments are accounted for at fair value through surplus or deficit, the change in fair value represents the increase or decrease of the surplus or deficit and net assets. The impact of a shift up or down of up to 200 basis points in the yield curve is shown (100 basis points equals 1 per cent). These basis point shifts are illustrative.

Main pool interest rate risk sensitivity analysis

(Millions of United States dollars)

	<i>Shift in yield curve (basis points)</i>								
	-200	-150	-100	-50	0	50	100	150	200
Increase/(decrease) in fair value									
Main pool total: 30 June 2020	145.2	108.9	72.6	36.3	–	(36.3)	(72.6)	(108.9)	(145.2)
Main pool total: 30 June 2019	75.7	56.8	37.8	18.9	–	(18.9)	(37.8)	(56.7)	(75.7)

Market risk: other

175. The main pool is not exposed to significant other market price risk, given that it does not sell short or borrow securities or purchase securities on margin, which limits the potential loss of capital.

Accounting classifications and fair value

176. All investments are reported at fair value through surplus and deficit. For cash and cash equivalents, receivables and accounts payable, carrying value is a fair approximation of fair value.

Fair value hierarchy

177. The table below analyses financial instruments carried at fair value, by the fair value hierarchy levels. The levels are defined as:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

178. The fair value of financial instruments traded in active markets is based on quoted market prices as at the reporting date and is determined by the independent custodian based on valuation of securities sourced from third parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by the main pool is the current bid price.

179. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that maximize the use of observable market data. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in level 2.

180. The following fair-value hierarchy presents the main pool assets that are measured at fair value as at the reporting date. There were no level 3 financial assets or any liabilities carried at fair value or any significant transfers of financial assets between fair value hierarchy classifications.

Fair value hierarchy

(Thousands of United States dollars)

	30 June 2020			30 June 2019		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Main pool financial assets at fair value through surplus or deficit						
Bonds – corporate	313 006	–	313 006	–	–	–
Bonds – non-United States agencies	931 953	–	931 953	697 351	–	697 351
Bonds – non-United States sovereigns	90 989	–	90 989	–	–	–
Bonds – supranationals	613 502	–	613 502	–	–	–
Bonds – United States Treasury	404 250	–	404 250	820 364	–	820 364
Main pool – commercial papers	–	1 288 368	1 288 368	–	–	–
Main pool – certificate of deposit	–	3 146 786	3 146 786	–	150 119	150 119
Main pool – term deposits	–	1 780 000	1 780 000	–	5 840 000	5 840 000
Total	2 353 700	6 215 154	8 568 854	1 517 715	5 990 119	7 507 834

Note 23**Expenses***Employee salaries, allowances and benefits*

181. Employee salaries include international, national and general temporary staff salaries, post adjustments and staff assessments. The allowances and benefits include other staff entitlements, including pension and insurance subsidies and staff assignment, repatriation, hardship and other allowances.

(Thousands of United States dollars)

	2019/20	2018/19
Salary, wages and other entitlements	1 395 146	1 478 316
Pension and insurance benefits	357 793	377 268
Repatriation benefits	9 171	26 742
Leave benefits	11 240	14 266
Total employee salaries, allowances and benefits	1 773 350	1 896 592

Contingent contracted services

182. Expenses for contingent contracted services comprise reimbursements to troop- and formed police unit-contributing countries for personnel, equipment and self-sustainment services. The reimbursements are made at predetermined standard rates based on person/month and the generic types of equipment.

(Thousands of United States dollars)

	2019/20	2018/19
Contingent troop and police costs	1 406 992	1 502 159
Contingent-owned equipment and self-sustainment	938 834	973 914
Contingent emplacement and rotation	88 596	123 233
Contingent operations	24 861	25 250
Total contingent contracted services	2 459 283	2 624 556

Non-employee compensation and allowances

183. Non-employee compensation and allowances consist of United Nations Volunteers living allowances and benefits, military observers and United Nations police mission subsistence and other compensation and allowances and consultant and contractors' fees.

(Thousands of United States dollars)

	2019/20	2018/19
United Nations Volunteers	77 418	78 944
Military observers	62 670	66 203
United Nations police	114 361	141 299
Consultants and other contractors	35 925	64 810
Other	12 269	13 335
Total non-employee compensation and allowances	302 643	364 591

Grants and other transfers

184. Grants and other transfers include outright grants to implementing agencies, partners and other entities for quick-impact projects. The allocation to direct support costs represents contributions to the Umoja-related expense, the administration of internal justice expense and the implementation of the global service delivery model.

(Thousands of United States dollars)

	2019/20	2018/19
Quick-impact projects	9 022	9 975
Transfers to implementing partners	55 081	37 633
Allocation to direct support costs	21 991	32 085
Total grants and other transfers	86 094	79 693

Supplies and consumables

185. Supplies and consumables include acquisition of fuel, rations, office supplies, spare parts, medical supplies and general maintenance supplies.

(Thousands of United States dollars)

	2019/20	2018/19
Fuel and lubricants	239 092	368 222
Rations	276 399	333 385
Spare parts and consumables ^a	79 886	110 097
Write-off of inventory	20 315	9 990
Total supplies and consumables	615 692	821 694

^a Includes net adjustment as a result of the physical inventory reconciliation and optimization project, which is not identifiable (see para. 98).

Travel

186. Travel expenses relate to travelling costs such as transportation, allowances and other related costs for staff, consultants and non-staff.

(Thousands of United States dollars)

	2019/20	2018/19
Staff travel	19 633	33 717
Representative travel	437	664
Total travel	20 070	34 381

Self-insurance claims and expenses

187. Self-insurance claims and expenses in the amount of \$2.2 million (2018/19: \$2.3 million) relate to appendix D payments.

Other operating expenses

188. Other operating expenses include maintenance, utilities, contracted services, training, security services, shared services, rent, insurance, allowance for doubtful receivables and expenses related to mine action.

(Thousands of United States dollars)

	2019/20	2018/19
Air transport	405 364	492 533
Ground transport	12 108	4 213
Communications and information technology	180 016	183 316
Facilities	125 350	75 744
Mine action services	152 499	158 714
Other contracted services	180 210	162 894
Acquisitions of goods	79 911	73 363
Acquisitions of intangible items	19 124	12 858
Rent – offices, premises and equipment	36 670	40 816
Maintenance and repair	39 322	40 238
Other	151 962	30 433
Total other operating expenses	1 382 536	1 275 122

Other expenses

189. Other expenses include contributions in kind, hospitality and official functions, and ex gratia and compensation claims.

(Thousands of United States dollars)

	2019/20	2018/19
Contributions in kind	300 263	330 928
Ex gratia and compensation claims	327	668
Other	97	94
Total other expenses	300 687	331 690

Note 24
Credits to Member States

(Thousands of United States dollars)

	2019/20	2018/19
Provisions made for the current year	233 487	183 867
Prior-year provisions unused and reversed	(514)	(3 579)
Prior-year provisions applied to assessments for commitment authorities	(61 644)	(94 975)
Total	171 329	85 313

Note 25
Related parties

Key management personnel

190. Key management personnel are those with the ability to exercise significant influence over the financial and operating decisions of the peacekeeping operations. The key management personnel group for peacekeeping operations comprises the Secretary-General, the Deputy Secretary-General and selected officials at the levels of Under-Secretary-General, Assistant Secretary-General and heads of peacekeeping missions. These persons have the relevant authority and responsibility for planning, directing and controlling the activities of the peacekeeping operations.

Key management personnel as at 30 June 2020

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
António Guterres	Secretary-General of the United Nations	January 2017
Amina J. Mohammed	Deputy Secretary-General of the United Nations	February 2017
Maria L. R. Viotti	Chef de Cabinet	January 2017
Catherine Pollard	Under-Secretary-General for Management Strategy, Policy and Compliance	September 2019
Atul Khare	Under-Secretary-General for Operational Support	January 2019

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Jean-Pierre Lacroix	Under-Secretary-General for Peace Operations	February 2017
Chandramouli Ramanathan	Controller	February 2019
Elizabeth Spehar	Special Representative of the Secretary-General and Head of UNFICYP	June 2016
Bernard Lee	Acting Head of UNDOF	October 2019
Major-General Stefano Del Col	Head of UNIFIL and Force Commander	August 2018
Colin W. Stewart	Special Representative of the Secretary-General and Head of MINURSO	December 2017
Zahir Tanin	Special Representative of the Secretary-General and Head of UNMIK	October 2015
Leila Zerrougui	Special Representative of the Secretary-General and Head of MONUSCO	February 2018
Jeremiah N. K. Mamabolo	Special Representative of the Secretary-General and Head of UNAMID	April 2017
Lisa K. Filipetto	Assistant Secretary-General and Head of UNSOS	March 2018
Mehari Z. Gebremariam	Force Commander and Acting Head of UNISFA	April 2019
David Shearer	Special Representative of the Secretary-General and Head of UNMISS	January 2017
Annadif K. M. Saleh	Special Representative of the Secretary-General and Head of MINUSMA	December 2015
Mankeur Ndiaye	Special Representative of the Secretary-General and Head of MINUSCA	March 2019

191. The aggregate remuneration paid to key management personnel includes salaries, post adjustment and other entitlements such as grants, subsidies and employer pension and health insurance contributions.

(Thousands of United States dollars)

	<i>2019/20</i>	<i>2018/19^a</i>
Key management personnel		
Salary and post adjustment	5 304	3 257
Other monetary entitlements	1 511	802
Non-monetary benefits	1 222	1 200
Total key management personnel remuneration	8 037	5 259

^a Comprising Secretary-General, Deputy Secretary-General, Chef de Cabinet, Under-Secretary-General for Management, Under-Secretary-General for Field Support, Director-General of the United Nations Office at Nairobi, Director-General of the United Nations Office at Vienna, Director-General of the United Nations Office at Geneva, Assistant Secretary-General, Office of Central Support Services, Controller, and Director, Accounts Division.

192. A residence, with an annual rental fair value equivalent of \$1.2 million (2018/19: \$1.2 million), is provided to the Secretary-General free of charge. Other non-monetary benefits provided to key management personnel include free or subsidized housing and services. Advances made to key management personnel are those made against entitlements in accordance with the Staff Regulations and Rules; such advances against entitlements are widely available to all staff of peacekeeping operations.

Trust fund activities related to peacekeeping operations

193. The following peacekeeping-related funds, which augment the activities of the peacekeeping operations, are structured as trust funds and, accordingly, appear in the financial statements of the United Nations. The reserves and fund balances of these related trust funds as at year end are shown below.

Activities related to peacekeeping operations funded by trust funds: reserves and fund balances

(Thousands of United States dollars)

	2019/20	2018/19
Trust fund in support of the delimitation and demarcation of the Ethiopia/Eritrea border	1 544	1 514
Trust fund for Somalia – unified command	426	418
Trust fund in support of the implementation of the Agreement on a Ceasefire and Separation of Forces signed in Moscow on 14 May 1994	9	8
Trust fund for the police assistance programme in Bosnia and Herzegovina	337	330
Trust fund in support of United Nations peacemaking and peacekeeping activities	2 280	2 234
Trust fund in support of the Department of Peace Operations	33 201	96 017
Trust fund to support the peace process in the Democratic Republic of the Congo	2 368	2 306
Trust fund to support the United Nations Interim Administration in Kosovo	1 146	1 124
Trust fund to support the Ituri Pacification Commission	7	7
Trust fund in support of the peace process in the Sudan	472	463
Trust fund for the African Union-United Nations joint mediation support team for Darfur	6 394	6 326
Trust fund for the support of the activities of the United Nations Mission in the Central African Republic and Chad	1 829	1 794
Trust fund to support lasting peace in Darfur	409	399
Trust fund in support of the African Union Mission in Somalia	12 622	18 798
Trust fund in support of the African-led International Support Mission in Mali	780	760
Trust fund in support of peace and security in Mali	46 021	46 807
Trust fund for the United Nations Operation in Côte d'Ivoire	177	173
Trust fund in support of the political transition in Haiti	251	413
Trust fund in support of the elimination of Syrian chemical weapons	318	312
Trust fund in support of the African-led International Support Mission in the Central African Republic	214	209
Total	110 805	180 411

Peacekeeping-related operations funded by the regular budget

194. Shown below are peacekeeping-related operations that are funded by the regular budget and appear in the financial statements of the United Nations.

Peacekeeping-related operations funded by the regular budget

(Thousands of United States dollars)

	<i>Appropriation^a</i>	<i>Expenditure on a budget basis</i>	<i>Unencumbered balance</i>
Year ended 30 June 2020			
Department of Peace Operations	5 858	2 501	3 357
Peacekeeping missions funded by the regular budget			
UNTSO	35 883	15 908	19 975
UNMOGIP	10 862	4 222	6 640
Total	52 603	22 631	29 972
Year ended 30 June 2019			
Department of Peace Operations	10 748	8 139	2 609
Peacekeeping missions funded by the regular budget			
UNTSO	71 277	51 570	19 707
UNMOGIP	19 919	13 975	5 944
Total	101 944	73 684	28 260

^a Appropriation for the year ended 30 June 2020 in accordance with resolutions 74/264 A to C, and appropriation for the biennium 2018–2019 in accordance with resolutions 73/280 A to C.

Related entity transactions

195. In the ordinary course of business, in order to achieve economies in executing transactions, financial transactions are often executed by one financial reporting entity on behalf of another and subsequently settled. No interest is levied on inter entity balances.

Payable to the United Nations General Fund

196. The peacekeeping operations have a payable due to the United Nations General Fund in the amount of \$47.4 million (2018/19: \$47.4 million), of which \$37.4 million relates to ONUC and \$10.0 million relates to UNEF. Those missions closed on 30 June 1964 and 30 June 1967, respectively.

United Nations peacekeeping operations: balances reflected in the Tax Equalization Fund

197. The financial statements of the peacekeeping operations report employee benefits expenses on a net-of-tax basis. The tax liabilities relating to peacekeeping operations are reported separately as part of the Tax Equalization Fund in the financial statements of the United Nations, which has a 31 December financial reporting date.

198. The Tax Equalization Fund was established under the provisions of General Assembly resolution 973 (X) to equalize the net pay of all staff members, whatever their national tax obligations. The Fund operationally reports as income staff assessment with respect to staff members financed under the regular budget, assessed peacekeeping operations, the International Criminal Tribunal for Rwanda, the International Tribunal for the Former Yugoslavia and the International Residual Mechanism for Criminal Tribunals.

199. The Fund includes as expenditure the credits against the regular budget, peacekeeping, the International Residual Mechanism and the international tribunals with respect to the assessments of Member States that do not levy taxes on the United

Nations income of their nationals. Member States that do levy income taxes on their nationals working for the Organization do not receive this credit in full. Instead, their share is utilized in the first instance to reimburse staff members for taxes paid on their United Nations income. Such reimbursements for taxes paid are partially reported as expenditure by the Fund. Staff members financed by extrabudgetary funds who are required to pay income tax are reimbursed directly from the resources of those funds. Given that the Organization acts as an agent in this arrangement, the net total of the related revenue and expenses is reported as a payable in these financial statements.

200. The cumulative surplus accumulated in the Tax Equalization Fund as at 31 December 2019 was \$123.0 million (2018: \$96.7 million), consisting of amounts payable to the United States of America at year end of \$70.2 million (2018: \$39.8 million) and to other Member States of \$52.8 million (2018: \$56.9 million). The amount payable to the United States at year end 2019 includes approximately \$32.5 million (2018: \$18.7 million) relating to the peacekeeping operations. The overall amount payable by the Fund is \$182.6 million (2018: \$150.9 million), which includes an estimated tax liability of \$59.6 million relating to the 2019 and prior tax years (2018: \$54.1 million), of which approximately \$31.4 million was disbursed in January 2020 and approximately \$28.2 million was settled in April 2020.

Peacekeeping cost recovery fund

201. Services provided to other United Nations agencies amounted to \$16.1 million (2018/19: \$18.7 million) and services provided to the troop-contributing countries and other Member States amounted to \$13.8 million (2018/19: \$11.1 million).

Year ended 30 June 2020

(Thousands of United States dollars)

	<i>Other United Nations agencies</i>	<i>Troop-contributing countries and other Member States</i>	<i>Non-governmental organizations and international agencies</i>	<i>Vendors</i>	<i>Other external entities</i>	<i>Between peacekeeping missions</i>	<i>Total</i>
Fuel	4 101	1 089	618	2 946	655	2 972	12 381
Logistical support – air transport	1 068	249	476	771	139	2 057	4 760
Logistical support – ground transport	582	1 831	59	370	451	100	3 393
Communications and information technology support	1 516	135	48	128	8 124	55 747	65 698
Building maintenance and utilities	5 860	7 302	2 699	1 382	3 137	2 271	22 651
Supplies – rations	252	3 025	1 064	–	76	177	4 594
Medical services	505	16	161	295	31	16	1 024
Staff services	86	–	34	37	119	6 852	7 128
Other services	2 163	131	1 118	527	439	272	4 650
Total other revenue	16 133	13 778	6 277	6 456	13 171	70 464	126 279

Year ended 30 June 2019

(Thousands of United States dollars)

	<i>Other United Nations agencies</i>	<i>Troop-contributing countries and other Member States</i>	<i>Non-governmental organizations and international agencies</i>	<i>Vendors</i>	<i>Other external entities</i>	<i>Between peacekeeping missions</i>	<i>Total</i>
Fuel	6 561	1 011	435	3 881	715	3 839	16 442
Logistical support – air transport	1 413	424	321	1 836	903	2 165	7 062
Logistical support – ground transport	1 281	5 076	27	97	304	62	6 847
Communications and information technology support	971	129	73	30	5 213	9 086	15 502
Building maintenance and utilities	6 181	972	3 469	1 163	1 820	870	14 475
Rations	195	3 321	249	–	76	189	4 030
Medical services	552	27	159	229	10	9	986
Staff services	15	–	54	–	232	6 863	7 164
Other services	1 506	155	311	757	745	382	3 856
Total other revenue	18 675	11 115	5 098	7 993	10 018	23 465	76 364

Note 26**Commitments***Operating lease commitments*

202. The peacekeeping operations enter into operating leases for the use of land, permanent and temporary buildings and equipment. The total lease payments recognized in expenditure for the year were \$33.8 million (2018/19: \$35.6 million). The contingent rent payments are determined by the lease contracts. There were no purchase options, escalation clauses or restrictions imposed by the lease arrangements. Future minimum lease payments under non-cancellable arrangements are shown below.

(Thousands of United States dollars)

	<i>30 June 2020</i>	<i>30 June 2019</i>
Less than 1 year	11 277	12 113
1 to 5 years	21 553	28 301
More than 5 years	3 391	5 589
Total operating lease commitments	36 221	46 003

Contractual commitments

203. As at the reporting date, commitments for goods and services contracted but not delivered amounted to \$389.6 million (2018/19: \$274.3 million).

(Thousands of United States dollars)

	30 June 2020	30 June 2019
Property, plant and equipment	64 075	43 861
Intangibles	1 208	1 083
Goods and services	324 327	229 331
Total open contractual commitments	389 610	274 275

Note 27

Contingent liabilities and contingent assets

Contingent liabilities

204. In the normal course of peacekeeping operations, the missions are involved from time to time in various arbitrations, commercial claims and litigations, and other legal or governmental actions. Given the nature of legal matters and the complexities involved, it is often difficult to predict and determine a meaningful estimate of loss or range of loss or the timing of any future outflows. Thus, accruals for legal matters are not recorded until a loss for a particular matter is considered probable and can be reasonably estimated. As at 30 June 2020, the total amount of contingent liabilities related to commercial claims and other claims of a private-law nature was \$26.2 million (2018/19: \$17.4 million).

205. Administrative law claims arise, for the most part, from appointment-related matters, benefits and entitlements, and separation from service. Accruals for those claims are not recorded until the outcome is probable and potential compensation can be reasonably estimated. The contingent liabilities for such claims, as at 30 June 2020, were \$4.4 million (2018/19: \$6.8 million), including an amount of \$1.4 million (2018/19: \$1.0 million) carried over from the previous year and an additional amount of \$3.0 million (2018/19: \$5.8 million) for the cases filed during the course of the current year. These claims may be settled during 2020/21, but the uncertain outcome of these claims makes the amount and timing of the outflows unpredictable.

Contingent assets

206. Contingent assets are disclosed when the receipt of settlement is probable. As at 30 June 2020, there were no material contingent assets (2018/19: none).

Note 28

COVID-19 and events after the reporting date

207. On 11 March 2020, the novel coronavirus disease, COVID-19, was declared a global pandemic by WHO. COVID-19 has had some operational and substantive impacts on peacekeeping operations in delivering mandated activities. Troop rotations were restricted until the end of June and interactions with local populations minimized. To date, the financial assets of peacekeeping operations, including cash pool investment, inventory and property, plant and equipment, have not been undermined by the global pandemic and the supply chain disruption that arose from COVID-19. It is reasonably assumed that a material change would not occur to the estimates included in these financial statements. While COVID-19 has created uncertainty for the collection of some assessed contributions and the forecasts of some future revenue stream, a larger impact on the overall revenue has not been observed. COVID-19 does not affect the going-concern assessment.

208. There were no other material events, favourable or unfavourable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.

Annex I**Financial reporting by mission****Statement of financial position as at 30 June 2020: active missions**

(Thousands of United States dollars)

	<i>UNFICYP</i>	<i>UNDOF</i>	<i>UNIFIL</i>	<i>MINURSO</i>	<i>UNMIK</i>	<i>MONUSCO</i>	<i>MINUJUSTH</i>	<i>UNAMID</i>
Assets								
Cash and cash equivalents	955	2 667	16 170	515	271	7 453	463	2 646
Investments	10 574	29 227	180 269	5 454	2 428	83 179	5 207	27 764
Assessments receivable	17 077	16 788	91 026	45 717	32 066	275 905	27 416	206 477
Other receivables	74	108	1 478	439	12	2 330	364	477
Inventories	2 149	2 189	11 547	3 722	1 240	26 910	17	44 655
Property, plant and equipment	5 432	36 626	80 553	10 590	2 065	85 713	9 689	137 465
Other assets	35	101	636	74	278	1 292	12	1 507
Total assets	36 296	87 706	381 679	66 511	38 360	482 782	43 168	420 991
Liabilities								
Accounts payable	11 306	16 803	219 084	5 505	996	323 749	6 618	213 764
Total employee benefits	146	234	1 345	700	778	6 144	367	4 346
Other liabilities and provisions	2 758	9 844	6 256	16 174	32 857	35 279	22 423	15 653
Total liabilities	14 210	26 881	226 685	22 379	34 631	365 172	29 408	233 763
Net of total assets and total liabilities	22 086	60 825	154 994	44 132	3 729	117 610	13 760	187 228
Net assets								
Accumulated surplus (deficit) – unrestricted	22 086	24 838	135 429	44 132	3 729	117 610	13 760	187 228
Accumulated surplus (deficit) – restricted	–	35 987	19 565	–	–	–	–	–
Reserves	–	–	–	–	–	–	–	–
Total net assets	22 086	60 825	154 994	44 132	3 729	117 610	13 760	187 228

Statement of financial performance for the year ended 30 June 2020: active missions

(Thousands of United States dollars)

	<i>UNFICYP</i>	<i>UNDOF</i>	<i>UNIFIL</i>	<i>MINURSO</i>	<i>UNMIK</i>	<i>MONUSCO</i>	<i>MINUJUSTH</i>	<i>UNAMID</i>
Assessed contributions	30 550	76 439	512 142	60 454	39 732	1 185 935	52 423	533 305
Voluntary contributions/other transfers and allocations	24 587	977	4 872	4 044	84	16 359	675	476
Investment revenue	236	716	4 347	207	159	2 829	117	1 369
Other revenues	119	44	665	390	6	2 525	2 860	348
Total revenues	55 492	78 176	522 026	65 095	39 981	1 207 648	56 075	535 498
Employee salaries, allowances and benefits	14 545	14 638	96 117	19 561	28 602	223 330	13 936	156 538
Contingent contracted services	11 842	28 704	323 464	939	–	424 425	6 047	175 963
Other expenses	20 686	23 195	101 890	41 694	11 052	463 430	50 350	289 278
Credits to Member States	2 105	9 834	5 802	1 158	(15)	11 843	16 633	14 945
Total expenses	49 178	76 371	527 273	63 352	39 639	1 123 028	86 966	636 724
Surplus/(deficit) for the year	6 314	1 805	(5 247)	1 743	342	84 620	(30 891)	(101 226)

Statement of financial position as at 30 June 2020: active missions (concluded)

(Thousands of United States dollars)

	<i>UNSOS</i>	<i>UNISFA</i>	<i>UNMISS</i>	<i>MINUSMA</i>	<i>MINUSCA</i>	<i>Total</i>
Assets						
Cash and cash equivalents	420	3 153	7 996	25 884	22 262	90 855
Investments	4 291	33 568	56 471	289 615	249 664	977 711
Assessments receivable	239 089	54 395	315 744	195 004	138 122	1 654 826
Other receivables	792	862	798	62 483	1 523	71 740
Inventories	44 250	13 698	58 020	77 115	39 017	324 529
Property, plant and equipment	184 520	90 551	206 416	250 115	164 787	1 264 522
Other assets	2 281	927	2 379	2 296	11 690	23 508
Total assets	475 643	197 154	647 824	902 512	627 065	4 407 691

	<i>UNSOS</i>	<i>UNISFA</i>	<i>UNMISS</i>	<i>MINUSMA</i>	<i>MINUSCA</i>	<i>Total</i>
Liabilities						
Accounts payable	127 046	64 305	322 525	413 579	308 241	2 033 521
Total employee benefits	2 483	1 176	6 878	4 778	6 389	35 764
Other liabilities and provisions	70 936	7 562	13 942	30 080	48 991	312 755
Total liabilities	200 465	73 043	343 345	448 437	363 621	2 382 040
Net of total assets and total liabilities	275 178	124 111	304 479	454 075	263 444	2 025 651
Net assets						
Accumulated surplus (deficit) – unrestricted	275 178	124 111	304 479	454 075	263 444	1 970 099
Accumulated surplus (deficit) – restricted	–	–	–	–	–	55 552
Reserves	–	–	–	–	–	–
Total net assets	275 178	124 111	304 479	454 075	263 444	2 025 651

Statement of financial performance for the year ended 30 June 2020: active missions (concluded)

(Thousands of United States dollars)

	<i>UNSOS</i>	<i>UNISFA</i>	<i>UNMISS</i>	<i>MINUSMA</i>	<i>MINUSCA</i>	<i>Total</i>
Assessed contributions	605 699	279 137	1 294 642	1 251 116	976 376	6 897 950
Voluntary contributions/other transfers and allocations	107 844	480	56 476	39 662	62 384	318 920
Investment revenue	3 092	1 198	4 303	9 963	6 472	35 008
Other revenues	2 258	1 372	2 631	2 459	705	16 382
Total revenues	718 893	282 187	1 358 052	1 303 200	1 045 937	7 268 260
Employee salaries, allowances and benefits	85 142	38 650	276 245	186 143	181 533	1 334 980
Contingent contracted services	80 780	103 528	468 851	446 192	386 989	2 457 724
Other expenses	504 790	128 740	573 661	567 313	441 768	3 217 847
Credits to Member States	63 432	7 557	(7 628)	2 627	42 049	170 342
Total expenses	734 144	278 475	1 311 129	1 202 275	1 052 339	7 180 893
Surplus/(deficit) for the year	(15 251)	3 712	46 923	100 925	(6 402)	87 367

Statement of financial position as at 30 June 2020: support activities

(Thousands of United States dollars)

	<i>Peacekeeping Reserve Fund</i>	<i>Support account</i>	<i>UNLB</i>	<i>UNLB-strategic deployment stocks</i>	<i>RSCE</i>	<i>Employee benefits funds</i>	<i>Peacekeeping cost recovery fund</i>	<i>Total</i>
Assets								
Cash and cash equivalents	11 821	1 571	877	7 606	(538) ^a	2 479	5 352	29 168
Investments	132 900	17 693	9 800	85 433	–	27 868	59 960	333 654
Assessments receivable	–	–	–	–	–	–	–	–
Other receivables	12 820	259	590	185	18	–	19 031	32 903
Inventories	–	248	9 710	7 948	419	–	1 333	19 658
Property, plant and equipment	–	645	29 830	37 095	11 656	–	2 512	81 738
Other assets	–	6 680	73	979	402	–	173	8 307
Total assets	157 541	27 096	50 880	139 246	11 957	30 347	88 361	505 428
Liabilities								
Accounts payable	–	18 760	4 278	7 572	1 089	28	21 216	52 943
Total employee benefits	–	8 156	545	–	964	1 956 563	(5)	1 966 223
Other liabilities and provisions	–	–	26	–	–	–	2 144	2 170
Total liabilities	–	26 916	4 849	7 572	2 053	1 956 591	23 355	2 021 336
Net of total assets and total liabilities	157 541	180	46 031	131 674	9 904	(1 926 244)	65 006	(1 515 908)
Net assets								
Accumulated surplus (deficit) – unrestricted	7 541	180	46 031	131 674	9 904	(1 926 244)	65 006	(1 665 908)
Accumulated surplus (deficit) – restricted	–	–	–	–	–	–	–	–
Reserves	150 000	–	–	–	–	–	–	150 000
Total net assets	157 541	180	46 031	131 674	9 904	(1 926 244)	65 006	(1 515 908)

^a The cash deficit is due mainly to the accrual of expenses in the amount of \$0.346 million for the shared facilities of MONUSC O. It occurred only on paper because the accrual was made after the reporting date.

Statement of financial performance for the year ended 30 June 2020: support activities

(Thousands of United States dollars)

	<i>Peacekeeping Reserve Fund</i>	<i>Support account</i>	<i>UNLB</i>	<i>UNLB-strategic deployment stocks</i>	<i>RSCE</i>	<i>Employee benefits funds</i>	<i>Peacekeeping cost recovery fund</i>	<i>Total</i>
Assessed contributions	–	–	–	–	–	–	–	–
Voluntary contributions/other transfers and allocations	–	345 809	66 618	–	34 469	–	–	446 896
Investment revenue	3 678	1 211	497	2 040	65	755	1 716	9 962
Other revenues	73	392	766	7 101	128	3 252	126 279	137 991
Total revenues	3 751	347 412	67 881	9 141	34 662	4 007	127 995	594 849
Employee salaries, allowances and benefits	–	257 863	41 187	–	28 681	112 582	8 001	448 314
Contingent contracted services	–	2548	–	–	–	–	1 420	3 968
Other expenses	1 985	86 001	33 535	5 975	7 178	2 224	106 099	242 997
Credits to Member States	–	–	–	–	–	–	987	987
Total expenses	1 985	346 412	74 722	5 975	35 859	114 806	116 507	696 266
Surplus/(deficit) for the year	1 766	1 000	(6 841)	3 166	(1 197)	(110 799)	11 488	(101 417)

Statement of financial position as at 30 June 2020: closed missions

(Thousands of United States dollars)

	<i>UNMIL</i>	<i>UNOCI</i>	<i>UNSMIS</i>	<i>UNMIT</i>	<i>UNMIS</i>	<i>MINURCAT</i>	<i>UNOMIG</i>
Assets							
Cash and cash equivalents	624	1 978	27	183	564	492	44
Investments	7 012	22 230	301	2 065	6 338	5 534	499
Assessments receivable	–	–	–	–	–	–	–
Other receivables	12	–	–	–	–	–	–
Inventories	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–
Other assets	389	20	–	–	–	–	–
Total assets	8 037	24 228	328	2 248	6 902	6 026	543

	<i>UNMIL</i>	<i>UNOCI</i>	<i>UNSMIS</i>	<i>UNMIT</i>	<i>UNMIS</i>	<i>MINURCAT</i>	<i>UNOMIG</i>
Liabilities							
Accounts payable	3 050	22 269	164	823	100	3 445	10
Total employee benefits	146	41	–	–	–	–	–
Other liabilities and provisions	6 772	770	7	–	–	5	–
Total liabilities	9 968	23 080	171	823	100	3 450	10
Net of total assets and total liabilities	(1 931)	1 148	157	1 425	6 802	2 576	533
Net assets							
Accumulated surplus (deficit) – unrestricted	(1 931)	1 148	157	1 425	6 802	2 576	533
Accumulated surplus (deficit) – restricted	–	–	–	–	–	–	–
Reserves	–	–	–	–	–	–	–
Total net assets	(1 931)	1 148	157	1 425	6 802	2 576	533

Statement of financial performance for the year ended 30 June 2020: closed missions

(Thousands of United States dollars)

	<i>UNMIL</i>	<i>UNOCI</i>	<i>UNSMIS</i>	<i>UNMIT</i>	<i>UNMIS</i>	<i>MINURCAT</i>	<i>UNOMIG</i>
Assessed contributions	–	–	–	–	–	–	–
Voluntary contributions/other transfers and allocations	–	–	–	–	–	–	–
Investment revenue	172	558	8	51	158	140	13
Other revenues	5	15	–	1	3	3	–
Total revenues	177	573	8	52	161	143	13
Employee salaries, allowances and benefits	89	32	–	–	–	–	–
Contingent contracted services	(2 396)	(13)	–	–	–	–	–
Other expenses	2 973	(6 732)	(5)	(115)	(375)	(113)	(19)
Credits to Member States	–	–	–	–	–	–	–
Total expenses	666	(6 713)	(5)	(115)	(375)	(113)	(19)
Surplus/(deficit) for the year	(489)	7 286	13	167	536	256	32

Statement of financial position as at 30 June 2020: closed missions (continued)

(Thousands of United States dollars)

	<i>UNMEE</i>	<i>ONUB</i>	<i>UNAMSIL/ UNOMSIL</i>	<i>UNMISSET/ UNTAET</i>	<i>UNIKOM</i>	<i>UNMIBH</i>	<i>UNMOT</i>
Assets							
Cash and cash equivalents	189	131	148	384	51	452	10
Investments	2 129	1 478	1 660	4 312	574	5 090	115
Assessments receivable	–	–	–	–	–	–	–
Other receivables	–	–	–	–	–	–	–
Inventories	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–
Total assets	2 318	1 609	1 808	4 696	625	5 542	125
Liabilities							
Accounts payable	76	57	65	1 846	6	4 412	2
Total employee benefits	–	–	–	–	–	–	–
Other liabilities and provisions	15	1	1	–	–	–	–
Total liabilities	91	58	66	1 846	6	4 412	2
Net of total assets and total liabilities	2 227	1 551	1 742	2 850	619	1 130	123
Net assets							
Accumulated surplus (deficit) – unrestricted	2 227	1 551	1 742	2 850	619	1 130	123
Accumulated surplus (deficit) – restricted	–	–	–	–	–	–	–
Reserves	–	–	–	–	–	–	–
Total net assets	2 227	1 551	1 742	2 850	619	1 130	123

Statement of financial performance for the year ended 30 June 2020: closed missions (continued)

(Thousands of United States dollars)

	<i>UNMEE</i>	<i>ONUB</i>	<i>UNAMSIL/ UNOMSIL</i>	<i>UNMISSET/ UNTAET</i>	<i>UNIKOM</i>	<i>UNMIBH</i>	<i>UNMOT</i>
Assessed contributions	–	–	–	–	–	–	–
Voluntary contributions/other transfers and allocations	–	–	–	–	–	–	–
Investment revenue	54	40	41	108	15	129	3
Other revenues	1	1	1	2	–	2	–
Total revenues	55	41	42	110	15	131	3
Employee salaries, allowances and benefits	–	–	–	–	–	–	–
Contingent contracted services	–	–	–	–	–	–	–
Other expenses	(1)	(35)	(84)	(64)	–	–	–
Credits to Member States	–	–	–	–	–	–	–
Total expenses	(1)	(35)	(84)	(64)	–	–	–
Surplus/(deficit) for the year	56	76	126	174	15	131	3

Statement of financial position as at 30 June 2020: closed missions (continued)

(Thousands of United States dollars)

	<i>UNSMIH/ UNTMIH/ MIPONUH</i>	<i>MINURCA</i>	<i>MONUA/ UNAVEM</i>	<i>UNPREDEP</i>	<i>UNTAES</i>	<i>UNOMIL</i>	<i>UNPF</i>
Assets							
Cash and cash equivalents	19	–	1 348	383	463	18	7 909
Investments	209	7	15 147	4 308	5 204	201	88 916
Assessments receivable	–	–	–	–	–	–	–
Other receivables	–	–	–	–	–	–	442
Inventories	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–
Total assets	228	7	16 495	4 691	5 667	219	97 267

	<i>UNSMIH/ UNTMIH/ MIPONUH</i>	<i>MINURCA</i>	<i>MONUA/ UNAVEM</i>	<i>UNPREDEP</i>	<i>UNTAES</i>	<i>UNOMIL</i>	<i>UNPF</i>
Liabilities							
Accounts payable	114	7 480	5 224	2 592	4 721	27	16 929
Total employee benefits	–	–	–	–	–	–	–
Other liabilities and provisions	7 367	16 337	–	–	–	–	130
Total liabilities	7 481	23 817	5 224	2 592	4 721	27	17 059
Net of total assets and total liabilities	(7 253)	(23 810)	11 271	2 099	946	192	80 208
Net assets							
Accumulated surplus (deficit) – unrestricted	(18 439)	(30 046)	11 271	2 099	946	192	80 208
Accumulated surplus (deficit) – restricted	11 186	6 236	–	–	–	–	–
Reserves	–	–	–	–	–	–	–
Total net assets	(7 253)	(23 810)	11 271	2 099	946	192	80 208

Statement of financial performance for the year ended 30 June 2020: closed missions (continued)

(Thousands of United States dollars)

	<i>UNSMIH/ UNTMIH/ MIPONUH</i>	<i>MINURCA</i>	<i>MONUA/ UNAVEM</i>	<i>UNPREDEP</i>	<i>UNTAES</i>	<i>UNOMIL</i>	<i>UNPF</i>
Assessed contributions	–	–	–	–	–	–	–
Voluntary contributions/other transfers and allocations	–	–	–	–	–	–	–
Investment revenue	5	–	329	110	144	5	1 648
Other revenues	–	–	4	2	3	–	15
Total revenues	5	–	333	112	147	5	1 663
Employee salaries, allowances and benefits	–	–	–	–	–	–	–
Contingent contracted services	–	–	–	–	–	–	–
Other expenses	(1)	–	(7)	(1)	–	(1)	(5 075)
Credits to Member States	–	–	–	–	–	–	–
Total expenses	(1)	–	(7)	(1)	–	(1)	(5 075)
Surplus/(deficit) for the year	6	–	340	113	147	6	6 738

Statement of financial position as at 30 June 2020: closed missions (continued)

(Thousands of United States dollars)

	<i>MINUGUA</i>	<i>UNMIH</i>	<i>UNAMIR/ UNOMUR</i>	<i>ONUSAL</i>	<i>ONUMOZ</i>	<i>UNSOM</i>	<i>UNMLT</i>
Assets							
Cash and cash equivalents	–	2 066	973	34	706	51	–
Investments	1	23 229	10 931	388	7 932	571	1
Assessments receivable	–	–	–	–	–	–	–
Other receivables	–	10 566	–	–	–	–	–
Inventories	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–
Total assets	1	35 861	11 904	422	8 638	622	1
Liabilities							
Accounts payable	–	12 654	211	1	280	15 490	–
Total employee benefits	–	–	–	–	–	–	–
Other liabilities and provisions	124	–	–	–	30	70	–
Total liabilities	124	12 654	211	1	310	15 560	–
Net of total assets and total liabilities	(123)	23 207	11 693	421	8 328	(14 938)	1
Net assets							
Accumulated surplus (deficit) – unrestricted	(141)	23 207	11 693	421	8 328	(52 501)	1
Accumulated surplus (deficit) – restricted	18	–	–	–	–	37 563	–
Reserves	–	–	–	–	–	–	–
Total net assets	(123)	23 207	11 693	421	8 328	(14 938)	1

20-17814 **Statement of financial performance for the year ended 30 June 2020: closed missions** (continued)
(Thousands of United States dollars)

	<i>MINUGUA</i>	<i>UNMIH</i>	<i>UNAMIR/ UNOMUR</i>	<i>ONUSAL</i>	<i>ONUMOZ</i>	<i>UNSONM</i>	<i>UNMLT</i>
Assessed contributions	–	–	–	–	–	–	–
Voluntary contributions/other transfers and allocations	–	–	–	–	–	–	–
Investment revenue	–	497	236	10	201	15	–
Other revenues	–	6	3	–	3	–	–
Total revenues	–	503	239	10	204	15	–
Employee salaries, allowances and benefits	–	–	–	–	–	–	–
Contingent contracted services	–	–	–	–	–	–	–
Other expenses	–	1	1	–	1	–	–
Credits to Member States	–	–	–	–	–	–	–
Total expenses	–	1	1	–	1	–	–
Surplus/(deficit) for the year	–	502	238	10	203	15	–

Statement of financial position as at 30 June 2020: closed missions (concluded)
(Thousands of United States dollars)

	<i>UNTAC</i>	<i>UNTAG</i>	<i>UNHMOG</i>	<i>UNEF</i>	<i>ONUC</i>	<i>Total</i>
Assets						
Cash and cash equivalents	43	41	21	7	80	19 439
Investments	484	459	236	80	905	218 546
Assessments receivable	–	–	–	–	–	–
Other receivables	–	–	–	–	–	11 020
Inventories	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–
Other assets	–	–	–	876	1 973	3 258
Total assets	527	500	257	963	2 958	252 263

	<i>UNTAC</i>	<i>UNTAG</i>	<i>UNIIMOG</i>	<i>UNEF</i>	<i>ONUC</i>	<i>Total</i>
Liabilities						
Accounts payable	39 821	83	67	17 425	6 621	166 065
Total employee benefits	–	–	–	–	–	187
Other liabilities and provisions	104	38	–	21 542	39 743	93 056
Total liabilities	39 925	121	67	38 967	46 364	259 308
Net of total assets and total liabilities	(39 398)	379	190	(38 004)	(43 406)	(7 045)
Net assets						
Accumulated surplus (deficit) – unrestricted	(40 216)	379	190	(38 004)	(43 406)	(62 866)
Accumulated surplus (deficit) – restricted	818	–	–	–	–	55 821
Reserves	–	–	–	–	–	–
Total net assets	(39 398)	379	190	(38 004)	(43 406)	(7 045)

Statement of financial performance for the year ended 30 June 2020: closed missions (concluded)

(Thousands of United States dollars)

	<i>UNTAC</i>	<i>UNTAG</i>	<i>UNIIMOG</i>	<i>UNEF</i>	<i>ONUC</i>	<i>Total</i>
Assessed contributions	–	–	–	–	–	–
Voluntary contributions/other transfers and allocations	–	–	–	–	–	–
Investment revenue	12	12	6	2	25	4 747
Other revenues	35	–	–	807	76	988
Total revenues	47	12	6	809	101	5 735
Employee salaries, allowances and benefits	–	–	–	–	–	121
Contingent contracted services	–	–	–	–	–	(2 409)
Other expenses	–	–	(1)	–	–	(9 653)
Credits to Member States	–	–	–	–	–	–
Total expenses	–	–	(1)	–	–	(11 941)
Surplus/(deficit) for the year	47	12	7	809	101	17 676

Annex II

Budgetary reporting by mission

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020

United Nations Peacekeeping Force in Cyprus

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	21 926	–	21 926	17 780	3 676	21 456	470
Civilian personnel	15 146	–	15 146	14 412	204	14 616	530
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	33	–	33	27	–	27	6
Official travel	246	–	246	162	–	162	84
Facilities and infrastructure	6 269	(162)	6 107	5 239	724	5 963	144
Ground transportation	2 137	211	2 348	2 074	274	2 348	–
Air operations	2 212	(87)	2 125	2 077	4	2 081	44
Marine operations	–	37	37	3	34	37	–
Communications and information technology	1 556	140	1 696	1 566	130	1 696	–
Medical	240	–	240	135	80	215	25
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	1 020	(139)	881	700	91	791	90
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	13 713	–	13 713	11 983	1 337	13 320	393
Subtotal	50 785	–	50 785	44 175	5 217	49 392	1 393
Prorated costs							
UNLB	513	–	513	513	–	513	–
Support account for peacekeeping operations	2 877	–	2 877	2 877	–	2 877	–
RSCE	–	–	–	–	–	–	–
Subtotal prorated costs	3 390	–	3 390	3 390	–	3 390	–
Voluntary contributions in kind (budgeted)	437	–	437	411	–	411	26
Total	54 612	–	54 612	47 976	5 217	53 193	1 419

^a In accordance with General Assembly resolution [73/314](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020

United Nations Disengagement Observer Force

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	39 285	–	39 285	25 776	6 232	32 008	7 277
Civilian personnel	15 557	–	15 557	14 483	6	14 489	1 068
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	18	(12)	6	4	–	4	2
Official travel	390	(60)	330	262	19	281	49
Facilities and infrastructure	7 549	(19)	7 530	5 974	1 556	7 530	–
Ground transportation	1 649	(379)	1 270	1 036	227	1 263	7
Air operations	–	7	7	2	5	7	–
Marine operations	50	87	137	110	27	137	–
Communications and information technology	2 209	(13)	2 196	1 440	721	2 161	35
Medical	318	230	548	391	157	548	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	2 184	159	2 343	2 117	226	2 343	–
Quick-impact projects	200	–	200	19	137	156	44
Total operational requirements	14 567	–	14 567	11 355	3 075	14 430	137
Subtotal	69 409	–	69 409	51 614	9 313	60 927	8 482
Prorated costs							
UNLB	701	–	701	701	–	701	–
Support account for peacekeeping operations	3 932	–	3 932	3 932	–	3 932	–
RSCE	–	–	–	–	–	–	–
Subtotal prorated costs	4 633	–	4 633	4 633	–	4 633	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	74 042	–	74 042	56 247	9 313	65 560	8 482

^a In accordance with General Assembly resolution [73/321](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020

United Nations Interim Force in Lebanon

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	344 857	(178)	344 679	251 163	93 326	344 489	190
Civilian personnel	92 796	2 624	95 420	95 370	50	95 420	–
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	59	18	77	77	–	77	–
Official travel	743	(221)	522	520	2	522	–
Facilities and infrastructure	18 146	(1 921)	16 225	15 132	1 091	16 223	2
Ground transportation	5 353	(547)	4 806	4 045	744	4 789	17
Air operations	6 747	(459)	6 288	6 112	176	6 288	–
Marine operations	79	29	108	108	–	108	–
Communications and information technology	6 507	(676)	5 831	5 699	132	5 831	–
Medical	1 089	2 034	3 123	2 683	439	3 122	1
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	3 227	(703)	2 524	2 316	201	2 517	7
Quick-impact projects	500	–	500	384	116	500	–
Total operational requirements	42 450	(2 446)	40 004	37 075	2 901	39 977	27
Subtotal	480 103	–	480 103	383 608	96 277	479 886	217
Prorated costs							
UNLB	4 845	–	4 845	4 845	–	4 845	–
Support account for peacekeeping operations	27 194	–	27 194	27 194	–	27 194	–
RSCE	–	–	–	–	–	–	–
Subtotal prorated costs	32 039	–	32 039	32 039	–	32 039	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	512 142	–	512 142	415 647	96 277	511 925	217

^a In accordance with General Assembly resolution [73/322](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020

United Nations Mission for the Referendum in Western Sahara

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance</i>
	<i>Original distribution^a</i>	<i>Redeployment</i>	<i>Revised distribution</i>	<i>Actual</i>	<i>Commitments</i>	<i>Total expenditure</i>	
Military and police personnel	7 311	–	7 311	6 591	710	7 301	10
Civilian personnel	20 892	(724)	20 168	20 016	86	20 102	66
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	34	(34)	–	–	–	–	–
Official travel	538	(137)	401	325	49	374	27
Facilities and infrastructure	4 613	215	4 828	3 058	1 770	4 828	–
Ground transportation	1 561	480	2 041	1 083	958	2 041	–
Air operations	13 327	–	13 327	12 733	178	12 911	416
Marine operations	–	103	103	47	56	103	–
Communications and information technology	2 683	144	2 827	1 939	888	2 827	–
Medical	154	167	321	285	36	321	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	5 234	(214)	5 020	4 440	486	4 926	94
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	28 144	724	28 868	23 910	4 421	28 331	537
Subtotal	56 347	–	56 347	50 517	5 217	55 734	613
Prorated costs							
UNLB	569	–	569	569	–	569	–
Support account for peacekeeping operations	3 192	–	3 192	3 192	–	3 192	–
RSCE	346	–	346	346	–	346	–
Subtotal prorated costs	4 107	–	4 107	4 107	–	4 107	–
Voluntary contributions in kind (budgeted)	519	–	519	333	–	333	186
Total	60 973	–	60 973	54 957	5 217	60 174	799

^a In accordance with General Assembly resolution [73/324](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020

United Nations Interim Administration Mission in Kosovo

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	744	(186)	558	558	–	558	–
Civilian personnel	28 223	1 076	29 299	29 289	10	29 299	–
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	34	(5)	29	22	7	29	–
Official travel	305	6	311	309	2	311	–
Facilities and infrastructure	2 591	3	2 594	2 486	108	2 594	–
Ground transportation	335	118	453	453	–	453	–
Air operations	–	–	–	–	–	–	–
Marine operations	–	–	–	–	–	–	–
Communications and information technology	2 142	(201)	1 941	1 730	207	1 937	4
Medical	65	86	151	114	37	151	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	2 808	(897)	1 911	1 879	29	1 908	3
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	8 280	(890)	7 390	6 993	390	7 383	7
Subtotal	37 247	–	37 247	36 840	400	37 240	7
Prorated costs							
UNLB	376	–	376	376	–	376	–
Support account for peacekeeping operations	2 110	–	2 110	2 110	–	2 110	–
RSCE	–	–	–	–	–	–	–
Subtotal prorated costs	2 486	–	2 486	2 486	–	2 486	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	39 733	–	39 733	39 326	400	39 726	7

^a In accordance with General Assembly resolution 73/318.

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020
United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

(Thousands of United States dollars)

	<i>Appropriation</i>				<i>Expenditure</i>			<i>Balance</i>
	<i>Original distribution^a</i>	<i>Commitment authority^b</i>	<i>Redeployment</i>	<i>Revised distribution</i>	<i>Actual</i>	<i>Commitments</i>	<i>Total expenditure</i>	
Military and police personnel	509 091	23 995	(7 825)	525 261	416 447	103 483	519 930	5 331
Civilian personnel	219 331	–	39 552	258 883	258 601	282	258 883	–
Operational requirements								
Civilian electoral observers	–	–	–	–	–	–	–	–
Consultants and consulting services	752	–	–	752	210	–	210	542
Official travel	5 097	–	–	5 097	3 243	340	3 583	1 514
Facilities and infrastructure	46 359	8 348	–	54 707	43 720	10 012	53 732	975
Ground transportation	10 180	544	1 849	12 573	9 683	2 890	12 573	–
Air operations	140 619	–	(32 355)	108 264	102 136	2 564	104 700	3 564
Marine operations	300	327	602	1 229	315	914	1 229	–
Communications and information technology	33 047	–	(1 107)	31 940	28 151	3 314	31 465	475
Medical	1 861	–	4 849	6 710	5 950	760	6 710	–
Special equipment	–	–	–	–	–	–	–	–
Other supplies, services and equipment	44 116	3 223	(5 565)	41 774	30 166	11 426	41 592	182
Quick-impact projects	1 500	–	–	1 500	1 158	328	1 486	14
Total operational requirements	283 831	12 442	(31 727)	264 546	224 732	32 548	257 280	7 266
Subtotal	1 012 253	36 437	–	1 048 690	899 780	136 313	1 036 093	12 597
Prorated costs								
UNLB	10 215	–	–	10 215	10 215	–	10 215	–
Support account for peacekeeping operations	57 337	–	–	57 337	57 337	–	57 337	–
RSCE	6 214	–	–	6 214	6 214	–	6 214	–
Subtotal prorated costs	73 766	–	–	73 766	73 766	–	73 766	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–	–
Total	1 086 019	36 437	–	1 122 456	973 546	136 313	1 109 859	12 597

^a In accordance with General Assembly resolution [73/315](#).

^b In [A/74/737/Add.12](#), commitment authority was authorized on 30 April 2020 for the period until 30 June 2020.

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020

United Nations Mission for Justice Support in Haiti

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	15 375	–	15 375	9 226	1 331	10 557	4 818
Civilian personnel	17 526	445	17 971	15 410	2 557	17 967	4
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	50	11	61	27	34	61	–
Official travel	1 246	–	1 246	913	–	913	333
Facilities and infrastructure	6 573	(456)	6 117	2 776	502	3 278	2 839
Ground transportation	424	–	424	221	134	355	69
Air operations	906	–	906	586	–	586	320
Marine operations	–	–	–	–	–	–	–
Communications and information technology	1 655	–	1 655	1 477	35	1 512	143
Medical	46	–	46	9	1	10	36
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	5 322	–	5 322	1 207	2 248	3 455	1 867
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	16 222	(445)	15 777	7 216	2 954	10 170	5 607
Subtotal	49 123	–	49 123	31 852	6 842	38 694	10 429
Prorated costs							
UNLB	499	–	499	499	–	499	–
Support account for peacekeeping operations	2 801	–	2 801	2 801	–	2 801	–
RSCE	–	–	–	–	–	–	–
Subtotal prorated costs	3 300	–	3 300	3 300	–	3 300	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	52 423	–	52 423	35 152	6 842	41 994	10 429

^a In accordance with General Assembly resolutions [73/317](#) and [74/260](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020 African Union-United Nations Hybrid Operation in Darfur

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	226 195	1 409	227 604	182 199	45 354	227 553	51
Civilian personnel	161 913	3 468	165 381	165 053	291	165 344	37
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	196	35	231	210	18	228	3
Official travel	2 185	(61)	2 124	1 318	313	1 631	493
Facilities and infrastructure	17 432	–	17 432	15 409	1 953	17 362	70
Ground transportation	3 323	(337)	2 986	2 371	39	2 410	576
Air operations	37 252	(2 038)	35 214	32 694	645	33 339	1 875
Marine operations	5	23	28	17	5	22	6
Communications and information technology	14 524	(3 213)	11 311	10 116	1 141	11 257	54
Medical	803	3 239	4 042	3 362	680	4 042	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	50 678	(2 525)	48 153	37 652	8 453	46 105	2 048
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	126 398	(4 877)	121 521	103 149	13 247	116 396	5 125
Subtotal	514 506	–	514 506	450 401	58 892	509 293	5 213
Prorated costs							
UNLB	2 603	–	2 603	2 603	–	2 603	–
Support account for peacekeeping operations	14 612	–	14 612	14 612	–	14 612	–
RSCE	1 584	–	1 584	1 584	–	1 584	–
Subtotal prorated costs	18 799	–	18 799	18 799	–	18 799	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	533 305	–	533 305	469 200	58 892	528 092	5 213

^a In accordance with General Assembly resolutions [73/278 B](#) and [74/261 B](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020

United Nations Support Office in Somalia

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	164 165	–	164 165	111 258	22 083	133 341	30 824
Civilian personnel	83 777	2 360	86 137	85 979	155	86 134	3
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	1 365	–	1 365	353	39	392	973
Official travel	1 809	(24)	1 785	1 533	108	1 641	144
Facilities and infrastructure	87 387	11 802	99 189	72 893	26 296	99 189	–
Ground transportation	19 946	–	19 946	15 235	4 075	19 310	636
Air operations	74 788	(11 590)	63 198	58 655	1 720	60 375	2 823
Marine operations	103	1 699	1 802	961	840	1 801	1
Communications and information technology	44 238	–	44 238	33 645	6 129	39 774	4 464
Medical	14 200	1 279	15 479	11 885	3 594	15 479	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	72 780	(5 526)	67 254	63 051	2 003	65 054	2 200
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	316 616	(2 360)	314 256	258 211	44 804	303 015	11 241
Subtotal	564 558	–	564 558	455 448	67 042	522 490	42 068
Prorated costs							
UNLB	5 697	–	5 697	5 697	–	5 697	–
Support account for peacekeeping operations	31 978	–	31 978	31 978	–	31 978	–
RSCE	3 466	–	3 466	3 466	–	3 466	–
Subtotal prorated costs	41 141	–	41 141	41 141	–	41 141	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	605 699	–	605 699	496 589	67 042	563 631	42 068

^a In accordance with General Assembly resolution [73/325](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020

United Nations Interim Security Force for Abyei

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	137 373	(4 007)	133 366	105 306	26 894	132 200	1 166
Civilian personnel	36 394	3 735	40 129	39 986	143	40 129	–
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	462	160	622	615	7	622	–
Official travel	924	(190)	734	681	53	734	–
Facilities and infrastructure	31 390	2 645	34 035	27 427	6 608	34 035	–
Ground transportation	2 452	1 887	4 339	1 899	2 440	4 339	–
Air operations	22 238	(6 680)	15 558	15 134	424	15 558	–
Marine operations	–	1 059	1 059	865	194	1 059	–
Communications and information technology	8 992	1 350	10 342	8 304	2 038	10 342	–
Medical	348	825	1 173	894	279	1 173	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	19 104	(784)	18 320	16 436	1 884	18 320	–
Quick-impact projects	500	–	500	400	100	500	–
Total operational requirements	86 410	272	86 682	72 655	14 027	86 682	–
Subtotal	260 177	–	260 177	217 946	41 064	259 011	1 166
Prorated costs							
UNLB	2 626	–	2 626	2 626	–	2 626	–
Support account for peacekeeping operations	14 737	–	14 737	14 737	–	14 737	–
RSCE	1 597	–	1 597	1 597	–	1 597	–
Subtotal prorated costs	18 960	–	18 960	18 960	–	18 960	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	279 137	–	279 137	236 907	41 064	277 971	1 166

^a In accordance with General Assembly resolution [73/311](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020**United Nations Mission in South Sudan**

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance</i>
	<i>Original distribution^a</i>	<i>Redeployment</i>	<i>Revised distribution</i>	<i>Actual</i>	<i>Commitments</i>	<i>Total expenditure</i>	
Military and police personnel	563 067	(2 636)	560 431	449 991	109 602	559 593	838
Civilian personnel	291 076	12 225	303 301	303 119	182	303 301	–
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	366	(31)	335	324	2	326	9
Official travel	3 839	(968)	2 871	2 378	401	2 779	92
Facilities and infrastructure	108 155	6 080	114 235	73 311	40 924	114 235	–
Ground transportation	12 968	(1 114)	11 854	9 954	1 900	11 854	–
Air operations	114 556	(16 023)	98 533	95 315	3 218	98 533	–
Marine operations	2 065	(113)	1 952	469	1 483	1 952	–
Communications and information technology	28 954	3 067	32 021	26 179	5 842	32 021	–
Medical	1 959	5 005	6 964	5 603	1 361	6 964	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	54 942	(5 492)	49 450	46 214	3 236	49 450	–
Quick-impact projects	1 500	–	1 500	1 371	120	1 491	9
Total operational requirements	329 304	(9 589)	319 715	261 118	58 487	319 605	110
Subtotal	1 183 447	–	1 183 447	1 014 228	168 271	1 182 499	948
Prorated costs							
UNLB	11 943	–	11 943	11 943	–	11 943	–
Support account for peacekeeping operations	67 034	–	67 034	67 034	–	67 034	–
RSCE	7 264	–	7 264	7 264	–	7 264	–
Subtotal prorated costs	86 241	–	86 241	86 241	–	86 241	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	1 269 688	–	1 269 688	1 100 469	168 271	1 268 740	948

^a In accordance with General Assembly resolution [73/323](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020

United Nations Multidimensional Integrated Stabilization Mission in Mali

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	495 313	26 981	522 294	367 580	154 714	522 294	–
Civilian personnel	183 887	11 852	195 739	190 741	4 998	195 739	–
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	641	(369)	272	230	5	235	37
Official travel	4 026	(787)	3 239	2 989	250	3 239	–
Facilities and infrastructure	97 587	(1 281)	96 306	37 979	58 327	96 306	–
Ground transportation	15 606	265	15 871	13 242	2 629	15 871	–
Air operations	145 120	(22 366)	122 754	120 056	2 698	122 754	–
Marine operations	1 225	1 071	2 296	477	1 819	2 296	–
Communications and information technology	91 861	(10 928)	80 933	57 572	22 637	80 209	724
Medical	9 352	6 372	15 724	12 059	3 665	15 724	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	89 840	(10 192)	79 648	69 172	9 692	78 864	784
Quick-impact projects	4 000	(618)	3 382	2 254	1 124	3 378	4
Total operational requirements	459 258	(38 833)	420 425	316 030	102 846	418 876	1 549
Subtotal	1 138 458	–	1 138 458	874 351	262 558	1 136 909	1 549
Prorated costs							
UNLB	11 489	–	11 489	11 489	–	11 489	–
Support account for peacekeeping operations	64 485	–	64 485	64 485	–	64 485	–
RSCE	6 989	–	6 989	6 989	–	6 989	–
Subtotal prorated costs	82 963	–	82 963	82 963	–	82 963	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	1 221 421	–	1 221 421	957 313	262 558	1 219 872	1 549

^a In accordance with General Assembly resolution [73/320](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020
United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance</i>
	<i>Original distribution^a</i>	<i>Redeployment</i>	<i>Revised distribution</i>	<i>Actual</i>	<i>Commitments</i>	<i>Total expenditure</i>	
Military and police personnel	480 991	–	480 991	367 426	99 851	467 277	13 714
Civilian personnel	195 232	3 855	199 087	197 800	1 210	199 010	77
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	1 072	–	1 072	731	229	960	112
Official travel	3 778	(269)	3 509	2 694	504	3 198	311
Facilities and infrastructure	74 927	(3 605)	71 322	49 441	21 826	71 267	55
Ground transportation	14 203	5 993	20 196	13 914	6 282	20 196	–
Air operations	58 084	(15 953)	42 131	39 800	2 321	42 121	10
Marine operations	250	1 567	1 817	794	1 023	1 817	–
Communications and information technology	38 851	693	39 544	28 056	11 488	39 544	–
Medical	1 581	4 647	6 228	4 885	1 343	6 228	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	38 089	2 994	41 083	28 650	12 399	41 049	34
Quick-impact projects	3 000	78	3 078	2 025	999	3 024	54
Total operational requirements	233 835	(3 855)	229 980	170 990	58 414	229 404	576
Subtotal	910 058	–	910 058	736 216	159 475	895 691	14 367
Prorated costs							
UNLB	9 184	–	9 184	9 184	–	9 184	–
Support account for peacekeeping operations	51 548	–	51 548	51 548	–	51 548	–
RSCE	5 586	–	5 586	5 586	–	5 586	–
Subtotal prorated costs	66 318	–	66 318	66 318	–	66 318	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	976 376	–	976 376	802 534	159 475	962 009	14 367

^a In accordance with General Assembly resolution [73/312](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020

Support account for peacekeeping operations

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	3 882	(1 297)	2 585	410	2 175	2 585	–
Civilian personnel	239 100	6 056	245 156	244 929	227	245 156	–
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	2 689	(260)	2 429	1 325	1 104	2 429	–
Official travel	8 626	(4 764)	3 862	3 737	125	3 862	–
Facilities and infrastructure	21 793	(351)	21 442	18 563	2 879	21 442	–
Ground transportation	56	8	64	62	2	64	–
Air operations	–	29	29	29	–	29	–
Marine operations	–	–	–	–	–	–	–
Communications and information technology	37 139	(2 030)	35 109	30 018	5 091	35 109	–
Medical	84	66	150	148	2	150	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	35 499	2 543	38 042	37 643	399	38 042	–
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	105 886	(4 759)	101 127	91 525	9 602	101 127	–
Total	348 868	–	348 868	336 864	12 004	348 868	–

^a In accordance with General Assembly resolution [73/308](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020**United Nations Logistics Base at Brindisi, Italy**

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance</i>
	<i>Original distribution^a</i>	<i>Redeployment</i>	<i>Revised distribution</i>	<i>Actual</i>	<i>Commitments</i>	<i>Total expenditure</i>	
Military and police personnel	–	–	–	–	–	–	–
Civilian personnel	40 105	1 094	41 199	41 180	19	41 199	
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	347	(108)	239	140	99	239	–
Official travel	653	(172)	481	458	9	467	14
Facilities and infrastructure	5 628	589	6 217	4 648	1 569	6 217	–
Ground transportation	436	(15)	421	333	86	419	2
Air operations	–	5	5	5	–	5	–
Marine operations	–	11	11	–	11	11	–
Communications and information technology	15 095	(1 171)	13 924	11 686	2 146	13 832	92
Medical	46	9	55	36	19	55	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	1 071	(242)	829	657	166	823	6
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	23 276	(1 094)	22 182	17 963	4 105	22 068	114
Subtotal	63 381	–	63 381	59 143	4 124	63 267	114
Strategic deployment stock activities – replenishment of strategic deployment stocks arising from transfers to peacekeeping and political missions and other entities	88 032	–	88 032	13 536	13 954	27 490	60 542
Total	151 413	–	151 413	72 679	18 078	90 757	60 656

^a In accordance with General Assembly resolution [73/310](#).

228/228 **Mission comparison of budget and actual amounts on a budget basis from 1 July 2019 to 30 June 2020**
Regional Service Centre in Entebbe, Uganda

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance</i>
	<i>Original distribution^a</i>	<i>Redeployment</i>	<i>Revised distribution</i>	<i>Actual</i>	<i>Commitments</i>	<i>Total expenditure</i>	
Military and police personnel	–	–	–	–	–	–	–
Civilian personnel	27 818	846	28 664	27 805	859	28 664	–
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	146	(146)	–	–	–	–	–
Official travel	264	(180)	84	79	5	84	–
Facilities and infrastructure	2 301	(541)	1 760	1 465	288	1 753	7
Ground transportation	154	(28)	126	126	–	126	–
Air operations	–	–	–	–	–	–	–
Marine operations	–	–	–	–	–	–	–
Communications and information technology	4 161	(265)	3 896	3 161	735	3 896	–
Medical	137	218	355	355	–	355	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	406	96	502	472	26	498	4
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	7 569	(846)	6 723	5 658	1 054	6 712	11
Total	35 387	–	35 387	33 463	1 913	35 376	11

^a In accordance with General Assembly resolution [73/309](#).