



# General Assembly

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Agenda item 150

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

## **Budget performance for the period from 1 July 2020 to 30 June 2021 and proposed budget for the period from 1 July 2022 to 30 June 2023 of the United Nations Logistics Base at Brindisi, Italy**

### **Report of the Advisory Committee on Administrative and Budgetary Questions**

|  |              |
|--|--------------|
| Appropriation for 2020/21                                    | \$62,058,200 |
| Expenditure for 2020/21                                      | \$62,053,100 |
| Unencumbered balance for 2020/21                             | \$5,100      |
| Appropriation for 2021/22                                    | \$65,694,700 |
| Projected expenditure for 2021/22 <sup>a</sup>               | \$65,447,700 |
| Projected underexpenditure for 2021/22 <sup>a</sup>          | \$247,000    |
| Proposal submitted by the Secretary-General for 2022/23      | \$66,318,800 |
| Adjustment recommended by the Advisory Committee for 2022/23 | (\$360,200)  |
| Recommendation of the Advisory Committee for 2022/23         | \$65,958,600 |

<sup>a</sup> Estimates as at 31 March 2022.



## I. Introduction

1. During its consideration of the reports on the financing of the United Nations Logistics Base at Brindisi, Italy (see [A/76/566](#) and [A/76/730](#)), the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 14 April 2022. The comments and recommendations of the Committee on cross-cutting issues related to peacekeeping operations are contained in its report ([A/76/760](#)) and those pertaining to the findings and recommendations of the Board of Auditors on the United Nations peacekeeping operations for the period from 1 July 2020 to 30 June 2021 can be found in its related report ([A/76/735](#)).

2. The reports on the strategic deployment stocks and the revised concept of strategic deployment stocks are annexed to the budget for the United Nations Logistics Base for the period from 1 July 2022 to 30 June 2023 ([A/76/730](#), annexes III and IV). The observations and recommendations of the Advisory Committee on the revised concept of strategic deployment stocks are considered in a separate report ([A/76/760/Add.14](#)).

## II. Budget performance report for the period from 1 July 2020 to 30 June 2021

3. By its resolution [74/282](#) and its decision 74/571, the General Assembly appropriated an amount of \$62,058,200 gross (\$55,916,200 net) for the maintenance of the United Nations Logistics Base for the period from 1 July 2020 to 30 June 2021. Expenditures for the period totalled \$62,053,100 gross (\$55,169,200 net), reflecting a budget implementation rate of almost 100.0 per cent. The unencumbered balance of \$5,100, in gross terms, reflects the combined effect of lower-than-budgeted expenditures under operational costs (\$3,139,000, or 15.1 per cent) and higher-than-budgeted expenditures under civilian personnel (\$3,133,900 or 7.6 cent). A detailed analysis of variances is provided in section IV of the report of the Secretary-General on the budget performance of the Logistics Base for the period from 1 July 2020 to 30 June 2021 ([A/76/566](#)).

4. During the reporting period, an amount of \$3,133,900 was redeployed from group III, operational costs, to group II, civilian personnel, to cover increased requirements, attributable mainly to the higher salaries for national staff and the higher post adjustments for international staff driven by the depreciation of the United States dollar against the euro, coupled with the lower actual average vacancy rates compared with the approved vacancy rates for national and international staff.

5. The Advisory Committee was informed that, as at 30 June 2020, unliquidated obligations for the 2019/20 budget period, amounted to \$4,122,400; and that, as at 30 June 2021, unliquidated obligations for the 2020/21 budget period, amounted to \$2,121,900.

### *Matters pertaining to the report of the Board of Auditors*

6. In considering the reports of the Secretary-General on the financing of the United Nations Logistics Base, the Advisory Committee also had before it the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2021 ([A/76/5 \(Vol. II\)](#)). In its report, the Board indicated that its recommendation to propose new financing arrangements for peacekeeping support to reflect that the Logistics Base and the Regional Service Centre in Entebbe, Uganda, are subordinate to the Department of Operational

Support, has been overtaken by events (*ibid.*, paras. 130–135 and 151–152). The Board noted deficiencies in the peacekeeping supply chain management. Missions did not determine stock levels, insufficiently declared surplus stocks, displayed ageing stock and acquired new materials although the items showed low consumption and were sufficiently on stock. The Board recommended the establishment of a centralized analysing and enforcing function to perform cross-cutting analyses of missions' and services centres' property, plant, equipment and inventory holdings. The Board noted that various centralized measures such as the clearing-house function at the Logistics Base have already been taken. **The Advisory Committee concurs with the recommendation of the Board of Auditors on the peacekeeping supply chain management.**

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

7. With respect to current and projected expenditures for the period from 1 July 2021 to 30 June 2022, the Advisory Committee was informed that, as at 31 March 2022, expenditures amounted to \$48,853,200 (gross); and that, at the end of the current financial period, the estimated total expenditures would amount to \$65,447,700, leaving a projected unencumbered balance of \$247,000 for a projected budget utilization rate of 99.6 per cent.

8. The Advisory Committee was also informed that, as at 28 February 2022, the cash available to the United Nations Logistics Base amounted to \$29,000,000, which was sufficient to cover its three-month operating reserve of \$16,400,000.

### IV. Proposed budget for the period from 1 July 2022 to 30 June 2023

#### A. Mandate and planned results

9. The United Nations Logistics Base has been in operation at Brindisi since 1994, when a memorandum of understanding governing the use of the property and facilities at Brindisi by the United Nations was signed by the Secretary-General and the Government of Italy. The first addendum to the memorandum, in respect of the donation of three new warehouses, was signed on 7 December 2001; and the second addendum, pertaining to the transfer of additional premises and areas to the Logistics Base by the Government of Italy, was signed on 4 August 2008. A third addendum, in respect of the transfer of six buildings and an open area to the Logistics Base by the Government of Italy, was signed on 23 November 2011. An agreement governing the use of premises in Valencia, Spain, by the United Nations was signed by the Secretary-General and the Government of Spain on 28 January 2009. A supplemental administrative agreement regarding the use by the United Nations of premises in Valencia, was signed on 16 March 2009; and an addendum to the administrative agreement providing for additional premises in Valencia, Spain, to be made available to the United Nations by the Government of Spain, was signed on 7 June 2021 (A/76/730, para. 2). Upon enquiry, the Advisory Committee was informed that the General Assembly, in its resolution 63/262, approved the proposal to establish site B in Valencia, to host a secondary active telecommunications facility in order to support peacekeeping activities.

10. The United Nations Logistics Base provides global geospatial, information and telecommunications technologies, service delivery and supply chain operational support and environmental technical assistance, as well as other enabling support

services throughout the life of field missions, from start-up planning and preparation to liquidation (*ibid.*, para. 4).

*Renaming and reprofiling of the logistics base*

11. Upon enquiry regarding the designation of the facilities located in Brindisi and Valencia, the Advisory Committee was informed that the nomenclature United Nations Logistics Base has been used since 1994, when the activities of the site in Brindisi revolved around logistics operations. Over the years, and further to the implementation of the global field support strategy, the activities and mandate of the Logistics Base have expanded and evolved to encompass a broader spectrum of services.

12. The Advisory Committee was also informed that, in his report dated 8 March 2016 ([A/70/779](#)), the Secretary-General proposed that the Valencia site be referred to as the “Global Service Centre – Valencia” and the Brindisi site as the “Global Service Centre – Brindisi”, and that both sites form the “Global Service Centre”. The Committee considered that the proposal of the Secretary-General was confusing as it appeared to imply the existence of two Global Service Centres and did not fulfil the requirement that the designation of the Valencia facility be consistent with its use for Information and Communications Technology purposes ([A/70/742/Add.9](#)). The General Assembly, in its resolution [70/288](#), requested the Secretary-General to resubmit proposals for the official designation of the facility in Valencia.

13. In his report dated 6 March 2017 ([A/71/828](#)), the Secretary-General proposed that the facility in Valencia be designated as the “United Nations Information and Communications Technology Base” and the Brindisi site be known as the “Global Service Centre in Brindisi, Italy”, and that both sites form the “Global Service Centre”.

14. The Advisory Committee recommended that the General Assembly approve the nomenclature of “United Nations Information and Communications Technology Facility, Valencia” and “Global Service Centre, Brindisi” (see [A/71/836/Add.10](#), para. 33). This recommendation was endorsed by the General Assembly in its resolution [71/294](#). However, the Committee did not make a recommendation and the Assembly did not approve the Secretary-General’s request that both sites form the “United Nations Global Service Centre”.

15. In his current report, the Secretary-General seeks the approval of the General Assembly to have the nomenclature “United Nations Global Service Centre”, in place of the United Nations Logistics Base, be used to commonly refer to both centres in Brindisi and Valencia ([A/76/730](#), para. 3).

16. In terms of the role envisaged for the United Nations Logistics Base as the United Nations Global Service Centre, the Advisory Committee was informed that the Logistics Base will continue to provide services to peacekeeping operations while extending service provision to other entities on a cost-recovery basis; in line with the mandate of the Department of Operational Support. This would result in further enhancement of inter-agency cooperation with other United Nations entities, and in achieving synergies and efficiencies across the United Nations system under the “One United Nations” approach.

**17. The Advisory Committee is of the view that the proposed change in nomenclature, has a broader implication on the work of the Organization, including in relation to the concept of a global service delivery model, and considers that the core functions of these sites remain the provision of logistical support and communications and information technology services to the United Nations peacekeeping operations. The Committee is of the view that the**

nomenclature endorsed by the General Assembly in its resolution 71/294 is still valid and recommends against the proposal to use the nomenclature “United Nations Global Service Centre” when referring to both centres in Brindisi and Valencia.

18. The planning assumptions and mission support initiatives for the 2022/23 period are summarized in section I.B of the report of the Secretary-General on the proposed budget (A/76/730).

## B. Resource requirements

19. The proposed budget in the amount of \$66,318,800 for 2022/23 represents an increase of \$624,100, or 1.0 per cent, compared with the apportionment of \$65,694,700 for the 2021/22 period. Information on variances between the 2021/22 apportionment and the proposed resources for 2022/23 is contained in section III of the proposed budget (ibid.).

### 1. Financial resources

(Thousands of United States dollars)

| Category                                      | Apportionment<br>(2020/21) | Expenditures<br>(2020/21) | Apportionment<br>(2021/22) | Expenditures<br>as at<br>31 March 2022 | Cost<br>estimates<br>(2022/23) | Variance     |            |
|---|----------------------------|---------------------------|----------------------------|--|--------------------------------|--------------|------------|
|   |                            |                           |                            |  |                                | Amount       | Percentage |
| Civilian personnel                            | 41 287.3                   | 44 421.2                  | 45 326.4                   | 33 305.2                               | 45 048.4                       | (278.0)      | (0.6)      |
| Operational costs                             | 20 770.9                   | 17 631.9                  | 20 368.3                   | 15 548.0                               | 21 270.4                       | 902.1        | 4.4        |
| <b>Gross requirements</b>                     | <b>62 058.2</b>            | <b>62 053.1</b>           | <b>65 694.7</b>            | <b>48 853.2</b>                        | <b>66 318.8</b>                | <b>624.1</b> | <b>1.0</b> |
| Staff assessment income                       | 6 142.0                    | 6 883.9                   | 6 562.6                    | 4 491.8                                | 6 905.3                        | 342.7        | 5.2        |
| <b>Net requirements</b>                       | <b>55 916.2</b>            | <b>55 169.2</b>           | <b>59 132.1</b>            | <b>44 361.4</b>                        | <b>59 413.5</b>                | <b>281.4</b> | <b>0.5</b> |
| Voluntary contributions<br>in kind (budgeted) | —                          | —                         | —                          | —                                      | —                              | —            | —          |
| <b>Total requirements</b>                     | <b>62 058.2</b>            | <b>62 053.1</b>           | <b>65 694.7</b>            | <b>48 853.2</b>                        | <b>66 318.8</b>                | <b>624.1</b> | <b>1.0</b> |

20. Information on the proposed resource requirements by location (Brindisi and Valencia) is contained in section II. A. of the proposed budget (ibid.). The proposed resources for Brindisi amount to \$54,197,500 which reflect an increase of \$406,700, or 0.75 per cent, compared with the apportionment of \$53,790,800 for 2021/22. The proposed resources of \$12,121,300 for Valencia reflect an increase of \$217,400, or 1.8 per cent, compared with the apportionment of \$11,903,900 in 2021/22.

### 2. Civilian personnel

| Category                         | Approved 2021/22 | Proposed 2022/23 | Variance |
|----------------------------------|------------------|------------------|----------|
| International staff              | 139              | 144              | 5        |
| National staff <sup>a</sup>      | 305              | 305              | —        |
| Temporary positions <sup>b</sup> | 3                | 1                | (2)      |

<sup>a</sup> National General Service staff.

<sup>b</sup> Funded under general temporary assistance.

21. The proposed resources for civilian personnel amount to \$45,048,400, representing a reduction of \$278,000, or 0.6 per cent, compared with the apportionment for 2021/22. The proposed reduction is attributable to reduced requirements under general temporary assistance and national staff, which are offset in part by increased requirement under international staff (*ibid.*, paras. 158–161).

### **Recommendations on posts and positions**

22. A total of 449 posts and one position are proposed in the period 2022/23, which reflects a net increase of three posts compared with the approved staffing complement in the period 2021/22. The proposed budget provides for the deployment of 144 international staff, 305 national staff and 1 temporary assistance position. A total of 36 staff will be located at the United Nations Information and Communications Technology Facility, Valencia, two staff will continue to be located at the Kuwait Joint Support Office, and 412 staff will be assigned to the Global Service Centre, Brindisi. The proposed complement of 449 posts and one position reflects the following staffing changes (*ibid.*, para. 14):

- (a) Establishment of three posts: two Information Systems Officers (one P-4 and one P-3) in Valencia, and one Logistics Officer (P-4) in Brindisi;
- (b) Reclassification of eight posts, including: (i) two reclassifications from P-4 to P-5 (one Administrative Officer and one Logistics Officer); and (ii) six reclassifications from G-6 to G-7 (three Programme Management Assistants, two Logistics Assistants and one Human Resources Assistant);
- (c) Conversion of two general temporary positions into posts: one Rule of Law Officer (P-4) and one Environmental Engineer (P-3);
- (d) Redeployment of 11 posts (one P-4, two P-3 and eight national General Service);
- (e) Reassignment of seven posts (one P-3, two Field Service and four national General Service).

### *Establishment*

23. The Secretary-General proposes to establish a Logistics Officer (P-4) post in the Delivery and Return Section to lead the management of the projected increase in inbound logistics activities, in relation to the revised concept of strategic deployment solutions and regional deployment stocks, including third-party logistics services for freight-forwarding and related activities, and to lead the transformation and digitalization process, which requires a capacity and expertise that is currently not available within the Global Service Centre (*ibid.*, para. 137). **The Advisory Committee notes that the Delivery and Return Section already has a complement of 79 posts, including two P-4 posts and considers that the additional functions could be performed within existing resources. The Committee also notes that the functions of the proposed (P-4) posts are related in part to the revised concept of strategic deployment stocks which is considered in a separate report (A/76/760/Add.14). In this context, the Committee recommends against the proposed establishment of a Logistics Officer (P-4) post at this stage.**

### *Reclassification*

24. The Secretary-General proposes the reclassification of a Logistics Officer (P-4) post to Chief of Section, Logistics (P-5) post in the Planning and Sourcing Section. It is indicated that the area of responsibilities of this Section include the financial management of the Strategic Deployment Solutions with a total financial value of \$135 million and that the Chief of Section will hold delegated authority to release as

well as to replenish inventory from the various stock locations within the new supply network and will guide and coordinate the activities of the regional deployment stock team based in Entebbe. It is also indicated that the success of the transition into the new strategic deployment solutions concept will depend on the capacity and expertise in this Section as the interface with clients in providing a reliable, responsive and transparent service (A/76/730, paras. 130 and 131). **The Advisory Committee notes that the proposed reclassification is related in part to the revised concept of strategic deployment stocks which is considered in a separate report (A/76/760/Add.14). In view of these elements, the Committee recommends against the proposed reclassification of a Logistics Officer (P-4) post to a Chief of Section, Logistics (P-5) post at this stage.**

25. The Secretary-General proposes the reclassification of a Logistics Assistant (G-6) post to a Senior Logistics Assistant (G-7) post in the Delivery and Return Section. The incumbent would facilitate data reconciliation in Umoja during and post liquidation and would provide technical and data accuracy inputs to stakeholders, prepare the financial year-end inventory reports during liquidation or post-liquidation phases, review the assets disposal plan, prepare detailed progress reports, issue guidance and direction to missions on liquidation procedures, and highlight potential risks during the liquidation. It is indicated that, given the proposed introduction of a circular supply chain approach with an anticipated increase in assets movements and disposal, the responsibility of this function in terms of the financial portfolio, as well as impact on the property holdings of the Organization, will grow significantly (*ibid.*, para. 139). **The Advisory Committee notes that the proposed reclassification of the Logistics Assistant (G-6) to Senior Logistics Assistant (G-7) is based on an anticipated increase of workload of existing activities, as opposed to an increase in the complexity and level of responsibility of the post. The Committee is not convinced that the proposed reclassification is fully justified and, therefore, recommends against the proposed reclassification of one Logistics Assistant (G-6) post to a Senior Logistics Assistant (G-7) post.**

26. The Secretary-General proposes the reclassification of a Human Resources Assistant (G-6) post to a Senior Human Resources Assistant (G-7) post in the Field Central Review Bodies Unit. It is indicated that the role of the Field Central Review Bodies secretariat has expanded to incorporate substantive support to recruiters and hiring managers in field missions and that the Senior Human Resources Assistant will provide inputs on the Inspira requirements for enhancements, carry out user acceptance testing and use the approved innovations to deliver training to all stakeholders. The incumbent will also perform quality control of all cases before assigning them to the members of the bodies, anticipating potential issues that may cause delays in the recruitment process (*ibid.*, para. 150). **Considering that the declining number of staff members in peacekeeping operations over the last few years should have translated in reduced activities for the Field Central Review Bodies Unit, the Advisory Committee is not convinced that the proposed reclassification is fully justified. Consequently, the Committee recommends against the proposed reclassification of a Human Resources Assistant (G-6) to a Senior Human Resources Assistant (G-7).**

#### *Conversion*

27. The Secretary-General proposes that one general temporary assistance position of Environmental Engineer (P-3) be converted to a post. It is indicated that the proposal reflects the continuously growing importance and long-term nature of the environmental support function and its area of engagement throughout the end-to-end supply chain process and a mission life cycle, and the need to provide expertise in support of the environment strategy objective of the Department of Operational



Support, to reduce the level of risk to personnel, local communities and ecosystems from wastewater management practices. It is also indicated that the proposed conversion is commensurate with the required capacity needed to meet current environmental engineering challenges and the resulting duties to be performed. *ibid.*, para. 133). Upon enquiry, the Advisory Committee was informed that the temporary position of Environmental Engineer had first been approved for the 2019/20 period. **Considering that the position of Environmental Engineer was created in a relatively recent period, the Advisory Committee is of the view that the conversion of this position would still be premature and, therefore, recommends the continuation of the Environmental Engineer (P-3) as a general temporary assistance position at this stage (see also [A/75/822/Add.10](#), para. 19).**

#### *Redeployment*

28. The following 11 redeployments are proposed ([A/76/730](#), para. 14):

(a) Two posts in the Service for Geospatial, Information and Telecommunications Technologies (Client Solutions Delivery Section) from Brindisi to Valencia (Geographic Information Officer (P-4) and Geospatial Information Officer (P-3);

(b) Seven posts (one P-3 and six national General Service) from the Property Management Unit of the Central Service to the Delivery and Return Section of the Supply Chain Service;

(c) Two posts (national General Service) from the Conference and Learning Center, Central Service to the Office of the Director.

29. However, the information provided to the Advisory Committee and the tables contained in the proposed budget refer to a higher number of redeployments (*ibid.*, tables 6, 8, 10, 11, 12 and 14). Upon enquiry, the Committee was informed that internal redeployments within the Supply Chain Service were not included in paragraph 14 of the proposed budget. In addition, the Committee notes that the average number of contractors and non-United Nations Logistics Base personnel in Valencia will increase from 345 personnel in 2021/22 to 505 personnel in 2022/23 ([A/75/744](#), table 1 and [A/76/730](#), table 1). **Taking into consideration the increasing presence of the United Nations system in Valencia and the potential for harmonization and efficiencies, the Advisory Committee considers that the proposed redeployments require further explanation and justification. Consequently, the Committee recommends against the proposed redeployments of seven posts (one P-3 and six national General Service) from the Property Management Unit of the Central Service to the Delivery and Return Section of the Supply Chain Service and two posts (national General Service) from the Conference and Learning Centre, Central Service to the Office of the Director.**

30. **The Advisory Committee notes the increasing presence of the United Nations system in Valencia and recommends that the General Assembly request the Secretary-General to submit a clear strategy on the ongoing transformation, including an overview of resources and efficiency measures, for its consideration.**

#### *Tenant units*

31. Information on the tenant units is provided in paragraphs 82 to 95 of the proposed budget ([A/76/730](#)). It is indicated that four units are at present hosted in Brindisi including: (a) two units which report to the Department of Peace Operations: the Standing Police Capacity and the Justice and Corrections Standing Capacity, comprising 36 posts and six posts and one general temporary position, respectively; and (b) two units which report to the Department of Operational Support: the Strategic



Air Operations Centre and the Field Central Review Bodies Unit comprising 11 posts and 10 posts respectively. Upon enquiry, the Advisory Committee was provided with information on the deployment to peacekeeping operations of the Standing Police Capacity (18 deployments in 2020/21 and 16 deployments in 2021/22, as at 17 March 2022) and of the Justice and Corrections Standing Capacity (nine deployments in 2020/21 and 11 deployments in 2021/22, as at 17 March 2022). **The Advisory Committee recommends that the General Assembly request the Secretary-General to provide an assessment of the services offered by the Standing Police Capacity and the Justice and Corrections Standing Capacity in the next report on the United Nations Logistics Base. The Committee considers that this assessment can take into consideration the existing capacities in Headquarters and missions with limited capacities, identify potential challenges and opportunities in centralisation or decentralization of the Standing Police Capacities and Justice and Correction Capacities, with a view to delivering better support to Member States and the United Nations system.**

*Directors and Chiefs of Mission Support secretariat*

32. The Secretary-General indicates that the functions of the Senior Administrative Officer (P-5) post are proposed to be reclassified from an Administrative Officer (P-4) post. The functions would include the coordination of the secretariat of the Directors and Chiefs of Mission Support which was requested as part of the recommendations of the Conference of Chiefs and Directors of Mission Support held in Brindisi in October 2021 ([A/76/730](#), para. 18). Upon enquiry, the Advisory Committee was informed that, following the 2019 Management Reform, the Directors and Chiefs of Mission Support community identified the need to address their common challenges, and to achieve more coherent and better-coordinated utilization of resources and capacities, as well as a need for closer alignment with Headquarters for support in delivering their unique mandates. The Committee was also informed that the secretariat will serve as a formal mechanism for: (a) sustaining necessary and critical dialogue; (b) ensuring field involvement in policy matters; (c) collating and circulating information; and (d) providing prompt technical input and subject matter expertise to stakeholders both in the field and at Headquarters. The proposed governance structure includes a steering committee to ensure that the Secretariat focuses on delivering against the priorities agreed within the Directors and Chiefs of Mission Support community. **While acknowledging the potential benefits of increased coordination and discussion among the Directors and Chiefs of Mission Support, the Advisory Committee considers that these activities could be achieved through regular means of communication without the creation of a dedicated secretariat structure and location. The Committee trusts that further information will be included in the next report on the United Nations Logistics Base.**

**Vacancy rates**

33. The table below provides a summary of the vacancy rates experienced for the 2020/21 and 2021/22 periods, as well as those proposed for the 2022/23 period. The Advisory Committee notes the lack of justification for the application of rates that differ from the actual vacancy rates experienced during the current period as follows: (a) for international staff, a 13 per cent vacancy rate is projected, despite an actual average rate of 16.5 per cent and an actual rate of 17.3 per cent recorded as at 31 March 2022; and (b) for national staff, a 4 per cent vacancy rate is projected, despite an actual average rate of 7.2 per cent and an actual rate of 7.2 per cent recorded as at 31 March 2022.

## Vacancy rates

(Percentage)

| <i>Category</i>           | <i>Actual<br/>2020/21</i> | <i>Budgeted<br/>2021/22</i> | <i>Actual as at<br/>31 January 2022</i> | <i>Actual as at<br/>31 March 2022</i> | <i>Actual average as<br/>at 31 March 2022</i> | <i>Projected<br/>2022/23</i> |
|---------------------------|---------------------------|-----------------------------|---|---------------------------------------|---|------------------------------|
| <b>Civilian personnel</b> |                           |                             |   |                                       |   |                              |
| International posts       | 15.1                      | 13.0                        | 18.0                                    | 17.3                                  | 16.5  | 13.0                         |
| National posts            | 4.9                       | 4.0                         | 7.2                                     | 7.2                                   | 7.2   | 4.0                          |
| Temporary positions       | —                         | —                           | —                                       | —                                     | —   | —                            |
| International staff       | —                         | —                           | 66.7                                    | 66.7                                  | 66.7  | —                            |

34. The Advisory Committee reiterates its view that proposed vacancy rates should be based, as much as possible, on actual rates. In cases where the proposed rates differ from the actual rates, clear justification should be provided systematically in the proposed budget and related documents (see [A/73/755/Add.8](#), para. 31, [A/74/737/Add.8](#), para. 16 and [A/75/822/Add.10](#), para. 25).

## Vacant posts

35. Upon enquiry, the Advisory Committee was informed that 48 posts were vacant as at 31 March 2022, including 12 vacant posts in the tenant units. One Logistics Officer (P-3) post had been vacant for more than two years. The Advisory Committee trusts that all efforts will be made to fill these posts expeditiously.

36. The Advisory Committee recalls that the General Assembly has reiterated its concern about the high number of vacancies in civilian staffing and its request to the Secretary-General to ensure that vacant posts are filled expeditiously (resolution [75/301](#), para. 22). In the same resolution, the Assembly has further requested the Secretary-General to review the posts that have been vacant for 24 months or longer and to propose in his next budget submission either their retention, with clear justification of need, or their abolishment.

37. Subject to its recommendations in paragraphs 23 to 27 and 29 above, the Advisory Committee recommends the approval of the Secretary-General's proposals regarding civilian personnel. Any related operational costs should be adjusted accordingly.

### 3. Operational costs

#### Financial resources

(Thousands of United States dollars)

| Category                                     | Apportionment<br>(2020/21) | Expenditure<br>(2020/21) | Apportionment<br>(2021/22) | Expenditures as<br>at 31 March 2022 | Cost<br>estimates<br>(2022/23) | Variance     |             |
|--|----------------------------|--------------------------|----------------------------|-------------------------------------|--------------------------------|--------------|-------------|
|  |                            |                          |                            |                                     |                                | Amount       | Percentage  |
|  | (1)                        | (2)                      | (3)                        | (4)                                 | (5)                            | (6)=(5)-(3)  | (7)=(6)÷(3) |
| <b>Operational costs</b>                     |                            |                          |                            |                                     |                                |              |             |
| Consultants and consulting services          | 170.8                      | 122.3                    | 160.6                      | 39.2                                | 160.6                          | —            | —           |
| Official travel                              | 488.0                      | 104.9                    | 451.6                      | 284.9                               | 449.0                          | (2.6)        | (0.6)       |
| Facilities and infrastructure                | 5 807.3                    | 5 404.9                  | 5 607.2                    | 4 547.8                             | 5 700.8                        | 93.6         | 1.7         |
| Ground transportation                        | 383.5                      | 309.1                    | 381.7                      | 319.6                               | 414.4                          | 32.7         | 8.6         |
| Air operations                               | 6.4                        | 4.2                      | 6.3                        | 6.5                                 | 3.0                            | (3.3)        | (52.4)      |
| Marine operations                            | —                          | —                        | —                          | —                                   | —                              | —            | —           |
| Communications and information<br>technology | 12 831.1                   | 10 823.8                 | 12 706.3                   | 9 855.2                             | 13 458.3                       | 752.0        | 5.9         |
| Medical                                      | 81.2                       | 65.0                     | 87.3                       | 31.4                                | 68.8                           | (18.5)       | (21.2)      |
| Other supplies, services and equipment       | 1 002.6                    | 797.7                    | 967.3                      | 463.4                               | 1 015.5                        | 48.2         | 5.0         |
| <b>Total, operational costs</b>              | <b>20 770.9</b>            | <b>17 631.9</b>          | <b>20 368.3</b>            | <b>15 548.0</b>                     | <b>21 270.4</b>                | <b>902.1</b> | <b>4.4</b>  |

38. The proposed resources for operational costs amounting to \$21,270,400 for 2022/23 represent an increase of \$902,100, or 4.4 per cent, compared to the apportionment for 2021/22. The increase reflects mainly increased requirements under communications and information technology, facilities and infrastructure, other supplies, services and equipment and ground transportation, which are offset in part by reductions under medical, air operations and official travel.

39. **The Advisory Committee is not fully convinced that the justifications provided fully support some of the requirements listed below and makes the following observations and recommendations:**

(a) *Consultants and consulting services.* The proposed resources for 2022/23 amount to \$160,600 which is the same amount as the apportionment for 2021/22. The Advisory Committee notes that in the 2020/21 period, the expenditure of \$122,300 represented an underexpenditure of \$48,500 compared with the apportionment of \$170,800 and that in the current period, only \$39,200 has been expended as at 31 March 2022. **In view of the underexpenditure pattern, the Advisory Committee recommends a 10 per cent reduction (\$16,100) to the proposed resources for consultants and consulting services (\$160,600);**

(b) *Official travel.* The proposed resources for 2022/23 amount to \$449,000 compared with the expenditure of \$104,900 in 2020/21 which represented an underexpenditure of \$383,100. **The Advisory Committee reiterates that greater use should be made of virtual meetings and online training tools and that travel for workshops, conferences or meetings should be kept to a minimum and, if proposed, detailed justifications should be provided. The Committee therefore recommends a reduction of 20 per cent (\$89,800) to the proposed resources for official travel (\$449,000).** The Advisory Committee further discusses official travel in its report on cross-cutting issues related to peacekeeping operations ([A/76/760](#));

(c) *Ground transportation.* The proposed resources of \$414,400 represent an increase of \$32,700, or 8.6 per cent, compared with the apportionment for 2021/22. The increased requirements are attributable mainly to the replacement of two vehicles which have passed their life expectancies with two electric vehicles (A/76/730, para. 162). The Advisory Committee notes that in 2020/21, the expenditure of \$309,100 represented an underexpenditure of \$74,400 compared with the apportionment of \$383,500 and that in the current period, the expenditure of \$319,600 as at 31 March 2022 combined with the expected expenditure of \$21,900 from 1 April to 30 June 2022 would result in an underexpenditure of \$40,200. **In view of the underexpenditure pattern, the Advisory Committee recommends a reduction of 100 per cent (\$32,700) to the proposed resource increase for ground transportation (\$32,700);**

(d) *Communications and information technology.* The proposed resources of \$13,458,300 represent an increase of \$752,000 compared with the apportionment for 2021/22. The increased requirements are attributable to the planned establishment of new contracts to hire equipment with high performance data storage and backup services supporting hybrid cloud strategy (A/76/730, para. 164). The Advisory Committee notes that in the 2020/21 period, the expenditure of \$10,823,800 represented an underexpenditure of \$2,007,300 compared with the apportionment of \$12,831,100. **In view of this under-expenditure, the Advisory Committee recommends a 15 per cent reduction (\$112,800) to the proposed resource increase for communications and information technology (\$752,000).**

40. **Subject to its recommendations, in paragraphs 37 and 39 above, the Advisory Committee recommends the approval of the proposals of the Secretary-General for operational costs.**

## V. Other matters

### *Services provided to other entities and cost recovery*

41. Information on the services provided to other entities and an analysis of cost-recovery estimates for 2022/23 are provided in paragraphs 77 to 81 and tables 2 and 3 of the proposed budget report (A/76/730). It is indicated that during the 2022/23 period, the United Nations Logistics Base plans to maintain at least 36 service level agreements with different entities, mostly for communications and information technology services. In addition, training services will be provided to field missions on a cost-recovery basis. The costs to be recovered are based on approved service rate cards, which are reviewed on an annual basis by the Office of the Controller. The income and expenditure for 2022/23 are estimated at \$14,390,600 compared with \$10,565,600 estimated for 2021/22 (see A/75/744, table 2). Upon enquiry, the Advisory Committee was provided with information on the cost-recovery reimbursements for the past five years, which together with the estimated cost-recovery for 2021/22 and 2022/23 has been summarized in the table below.

### **Cost-recovery reimbursements from 2016/17 to 2020/21 and estimated cost-recovery reimbursements for 2021/22 and 2022/23**

(Thousands of United States dollars)

| <i>Period</i> | <i>2016/17</i> | <i>2017/18</i> | <i>2018/19</i> | <i>2019/20</i> | <i>2020/21</i> | <i>2021/22</i> | <i>2022/23</i> |
|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Amount        | 6 267.7        | 7 730.4        | 8 661.5        | 9 767.9        | 12 514.5       | 10 565.6       | 14 390.6       |

42. The Secretary-General indicates that in 2022/23, the cost-recovery income will fund one Senior Information Systems Officer (P-5) post; one Information Systems Officer (P-3) post; one national General Service post to coordinate and manage cost recovery income receive; one national General Service post for the minimum required health-care capacity (nurse); one national General Service post for security; and one national General Service post for facilities management. All posts are located in the Office of the Chief, Service for Geospatial, Information and Telecommunications Technologies, in Valencia.

43. With regard to contractors and support personnel from other entities occupying facilities in Brindisi and Valencia, the Secretary-General indicates that some 732 full-time support personnel from other entities will occupy United Nations Logistics Base premises in 2022/23, including 505 personnel in Valencia and 227 personnel in Brindisi. The cost-recovery framework will enable the recovery of the costs associated with the use of the facilities by non-Logistics Base support personnel providing support for non-Department of Operational Support client entities with which the United Nations Logistics Base maintains a service-level agreement. No costs are recovered for personnel of the United Nations Office for Project Services and of the United Nations International Computing Centre who are working on projects for the Department of Operational Support and field missions, in accordance with the provisions of contractual arrangements (see [A/76/730](#), paras. 73–76 and table 1).

44. **The Advisory Committee reiterates its view that the General Assembly should be provided with comprehensive and more transparent information on the services provided to different entities, the resources required to provide those services and the different financing and cost recovery arrangements, as well as the recording of related income and expenditures (see also [A/74/737/Add.6](#), para. 26 and [A/75/822/Add.10](#), para. 43).** The Advisory Committee makes further comments and recommendations in its reports on cross-cutting issues related to peacekeeping operations ([A/76/760](#)) and its report on the supply chain activities in the United Nations Secretariat ([A/76/722](#)).

#### *Scalability model*

45. Information on the scalability model is provided in paragraphs 65 to 72 of the proposed budget report ([A/76/730](#)). It is indicated that the original model presented in the 2019/20 period was developed based on an empirical business unit scalability analysis of the 54 business units of the logistics base, leveraging the civilian staffing review as the endorsed baseline for resources. The model was refined following the recommendations of the Advisory Committee in its reports [A/74/737/Add.6](#) and [A/75/822/Add.10](#) and endorsed by the General Assembly in its resolutions [74/282](#) and [75/295](#).

46. The Secretary-General indicates that an internal review team further refined and reviewed the existing model to validate and assess the resources devoted to supporting the activities within the United Nations Logistics Base and the activities related to the direct support of peacekeeping operations. Additionally, an external review assessed and recommended additional improvements, towards developing a clear definition of scalability and to ensure a consistent application in considering workload factors and efficiency gains. The review concluded that: (a) the services provided by the Logistics Base are diverse, complex, customized and critical to many United Nations organizations, and are not limited to peacekeeping operations; and (b) the proposed methodology demonstrates alignment with the results-based budgeting framework and annual work programmes and it is therefore fit-for-purpose. The Secretary-General also indicates that the external review confirmed that resources were deemed to be driven not only by the volume of transactions and the related full-time equivalent

requirements within the Logistics Base and in missions but also by the complexity, coordination and customization required to manage those activities, as well as the need to ensure an ongoing minimum capability.

47. Upon enquiry, the Advisory Committee was informed that the existing scalability model does not focus solely on the complexity of operations as a justification for budget increase. It also factors in the difficulty to predict with absolute certainty demands in services (for example: their nature, volume, cost, and duration and response time) and the need to be ready to respond to increased demands arising from situations such as the coronavirus disease (COVID-19) pandemic and the current crisis in Ukraine.

48. **The Advisory Committee notes the efforts to refine the scalability model and recalls its recommendation endorsed by the General Assembly in its resolution 75/295, to further refine the scalability formula in particular to develop a clear definition of scalability, identify the activities that are scalable and ensure consistency in the application of the scalability model, as well as to ensure that all scalability models take into account, inter alia, workload factors and efficiency gains (see A/75/822/Add.10, para. 46). The Advisory Committee trusts that updated information will be included in the next report on the United Nations Logistic Base.**

## VI. Conclusion

49. The actions to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base for the period from 1 July 2020 to 30 June 2021 are indicated in section VI of the budget performance report ([A/76/566](#)). **The Advisory Committee recommends that the unencumbered balance of \$5,100 for the period from 1 July 2020 to 30 June 2021, as well as other income/adjustments amounting to \$272,400 from investment revenue (\$76,100), other/miscellaneous revenue (\$22,900) and the cancellation of prior-period obligations (\$173,400) be applied against the resources required for the period from 1 July 2022 to 30 June 2023.**

50. The actions to be taken by the General Assembly regarding the financing of the United Nations Logistics Base for the period from 1 July 2022 to 30 June 2023 are indicated in section IV of the proposed budget ([A/76/730](#)). **Taking into account its observations and recommendations above, the Advisory Committee recommends that the proposed resources be reduced by \$360,200, from \$66,318,800 to \$65,958,600. The Committee further recommends that this amount be prorated among the individual active peacekeeping operation budgets to meet the financing requirements of the United Nations Logistics Base for the period from 1 July 2022 to 30 June 2023.**