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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Support account for peace-keeping operations

Report of the Secretary-General

1. At its forty-fourth session, the General Assembly, by its resolution 44/192 A of 21 December 1989, requested the Secretary-General to submit a report to the General Assembly at its forty-fifth session on the measures taken in accordance with the observations and recommendations of the Advisory Committee contained in its reports (A/44/725 and A/44/868) and to provide further information covering, inter alia:

- (a) Economies of scale;
- (b) Start-up problems;
- (c) The establishment of a reserve stock of equipment and supply items;
- (d) The use of civilian personnel in peace-keeping operations;

(e) Problems related to overload posts and the proposed establishment of a support account for peace-keeping operations.

2. In the same resolution, the General Assembly also requested the Secretary-General to keep under review the format and amount of information that should be included in his reports on the financing of United Nations peace-keeping operations in order to assist Member States in the scrutiny and evaluation of those

* A/45/150 and Corr.1.

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reports. As regards that latter request, the Secretary-General undertakes to provide, in consultation with the Advisory Committee on Administrative and Budgetary Questions, such information as will permit Member States transparency of the financing of each peace-keeping operation, taking into consideration the request of the Assembly to limit the number of pages of reports submitted to it.

3. The present report is submitted in response to the request for information on problems related to overload posts and the proposed establishment of a support account for peace-keeping operations. The additional information requested will be provided in addenda to the present report.

4. It is recalled that during the course of the forty-fourth session of the General Assembly, the Secretary-General submitted a report, issued subsequently as document A/C.5/44/45, to the Advisory Committee on Administrative and Budgetary Questions on the administrative and budgetary aspects of the financing of the United Nations peace-keeping operations. In that report, the Secretary-General proposed, inter alia, a change in the arrangements that were in place for the provision of overload posts financed from the budgets of the ongoing peace-keeping operations that were financed outside the United Nations programme budget for the biennium. These posts are provided to supplement the provisions under the regular budget for managerial, legal, technical and administrative support and backstopping of good offices and peace-keeping operations. The proposed change excluded the overload posts provided by the United Nations Transition Assistance Group (UNTAG), as this operation was due to end on 31 March 1990 and did not seek additional appropriations for 1990. The proposal indicated, instead, a need to establish a formula that would apportion the costs of the overload posts in a more equitable manner, by including in all future budgets of good offices and peace-keeping operations, financed outside the regular budget, a financial provision calculated on the basis of a fixed percentage rate of the costs of the civilian component, that is, the United Nations staff members serving in the mission area, for salaries, common staff and travel costs. The income generated from the application of the percentage rate would be maintained in a separate account for support of peace-keeping operations against which temporary posts would then be established. At the end of the financial period, any unencumbered balance would remain in the account for the purpose of providing assistance to the offices dealing with peace-keeping matters during periods of peak work-load, such as when new peace-keeping operations are being established. For example, during such periods, the Logistics Planning Subgroup of the Senior Planning and Monitoring Group would require logistical experts familiar with particular regions and planning, either on a contingency or an actual basis, for proposed new operations and the resources in the account for support of peace-keeping operations could be utilized to acquire such expertise for short periods.

5. The Secretary-General had requested the concurrence of the Advisory Committee on Administrative and Budgetary Questions for the establishment only, with effect from 1 January 1990, of the separate account to be funded by credits transferred from the various peace-keeping budgets in amounts equal to the approved provisions for overload posts contained in each of the budgets, against which temporary posts representing approved overload posts would then be established. In connection with the establishment of the percentage rate for determining the amount to be included

in future budgets, the Secretary-General indicated that the rate should be based on the experience gained regarding the overall level of requirements needed for such support and that it was his intention to report to the General Assembly, through the Advisory Committee, at the forty-fifth or forty-sixth session.

6. The Advisory Committee, in its response to the Secretary-General (A/44/868, annex), indicated that the establishment of the account was, in principle, attractive and should more appropriately be named support account for peace-keeping operations. However, the Committee had a number of problems with the proposal as formulated. It had difficulty agreeing to the establishment of an account for which all the mechanics had not been developed and although it was clear that for 1990 the Secretary-General sought to transfer to the account only credits from existing peace-keeping operations in amounts equal to the overload post provisions for those operations, the Committee noted that the means of future financing had yet to be worked out.

7. The Advisory Committee requested, therefore, that the concept be developed more fully and resubmitted at a later stage, together with a clear description of existing problems related to overload posts and how the establishment of the support account would redress such problems, as well as a proposal for a mechanism by which the account could be scrutinized by the Advisory Committee and the General Assembly, as resources for the account would be derived partly from assessed contributions.

8. A follow-up report, contained in document A/CN.1/R.1121, was presented to the Advisory Committee at its 1990 spring session. On the basis of that report, the Committee, while expressing certain reservations, concurred with the interim establishment of a separate support account in 1990 for peace-keeping operations, pending approval by the General Assembly of the arrangements to begin in 1991. The concurrence of the Committee was given on the understanding that, initially, the account would finance the current 92 overload posts provided for in the separate peace-keeping budgets, including the United Nations Peace-keeping Force in Cyprus (UNFICYP), a voluntary funded operation, and that the first financial period would be from 1 January 1990 to 31 December 1991.

9. The following paragraphs contain the additional information requested and include:

(a) A clear description of existing problems related to overload posts and how the establishment of such an account would redress such problems;

(b) The means of future financing of the account;

(c) The mechanism by which the account could be scrutinized by the Advisory Committee and the General Assembly.

10. The practice of providing overload posts under the budgets of peace-keeping operations is a long-standing one that goes back to the first peace-keeping operation established in 1956 involving the deployment of military contingents (UNEF-I). Overload posts were authorized at the time in order to alleviate the

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additional work-load in the New York and Geneva offices caused by that operation. Future provisions of overload posts in the budgets of that and other peace-keeping operations that came into being later were established in consideration solely of the additional work-load caused by these operations. In the periods when the prospects for and the establishment of new peace-keeping operations were few and far between, there was no pressing need to consider widening the scope of the overload post arrangement so that it would cover any additional work-load requirements relating to peace-keeping in general, including good offices activities. The present situation differs from that which existed prior to mid-1988 in that the United Nations is now involved in a significantly larger number of peace-keeping operations than heretofore, with still others in prospect, as well as in good offices activities, that have taxed its entire capabilities.

11. Overload posts are derived from the financial resources of an existing operation and are tied solely to the needs related to that operation; moreover, they are not available before the enabling resolution of the Security Council establishes the operation. Therefore, it is with regard to such activities as those which generally precede the establishment of a peace-keeping operation as well as to good offices activities, that the present arrangement for temporary assistance through overload posts is found wanting. The proposed account for support of peace-keeping operations is designed to continue meeting the needs caused by existing peace-keeping operations as well as the additional work-load in connection with the pre-implementation phase of prospective operations and good offices activities that are clearly not within the confines of the biennium programme budget financing. This support account would provide the Organization with the necessary resources to allow it to respond effectively and in a timely and efficient way to initiatives that need to be undertaken as and when the occasions arise in relation to such good offices and peace-keeping activities. In addition, it would provide flexibility in the use of resources to respond to the administrative and political backstopping tasks of the various operations in accordance with their changing requirements.

12. The support account would also establish a single mechanism for the distribution of costs among the various peace-keeping operations. This would be a desirable development not only in respect of cash flow variances but also inasmuch as the financing of one of the existing peace-keeping operations, which currently provides a disproportionate share of overload post costs, is provided through voluntary contributions, whereas the other operations are financed through assessed contributions.

13. Bearing in mind the Advisory Committee's observations on the matter, the Secretary-General has given due consideration to all the possible means to bring about a fair and equitable methodology for the future financing of the support account. In this regard, he is guided by the need to maintain and to continue providing at adequate levels for the additional work-load requirements of the various offices outside the missions that are directly involved in work related to existing peace-keeping operations, as well as for such needs as may arise in connection with good offices activities. For this reason, the Secretary-General had proposed that the support account be financed initially from the combination of resources already included in the approved peace-keeping budgets, specifically for

overload posts. Beginning in 1991, the financing would be through the inclusion of a provision in each of the budgets of peace-keeping operations, in an amount equal to the average ratio in 1990 of the cost of overload posts to the cost of the civilian establishment in the mission areas, excluding UNTAG, and is estimated at approximately \$7 million gross (\$5.6 million net), at 1991 rates. At that level, it is believed that the support account would be in a position to continue providing adequate resources to meet the additional work-load caused by existing peace-keeping operations, as well as that which may be called for in respect of prospective peace-keeping operations and good offices activities. The proposed average ratio to be applied, beginning in 1991, in calculating the amounts to be included in each of the budgets of peace-keeping operations is 8.5 per cent of the cost (i.e. salaries, common staff costs and travel only) of the civilian component in the mission area of the respective peace-keeping operation. This ratio was considered appropriate since it was derived from the aggregate cost of the existing overload posts, excluding UNTAG, expressed as a percentage of the aggregate cost of the civilian components in the mission areas. Thus, the ratio is based on five peace-keeping operations - the United Nations Peace-keeping Force in Cyprus (UNFICYP), the United Nations Disengagement Observer Force (UNDOF), the United Nations Interim Force in Lebanon (UNIFIL), the United Nations Iran-Iraq Military Observer Group (UNIIMOG) and the United Nations Observer Group in Central America (ONUCA) - with varying responsibilities and mandates, as well as differing civilian components, as to the numbers and grades of the staff members. Three of the five peace-keeping operations have military forces and two are observer missions. Because of these dissimilar characteristics, it is the view of the Secretary-General that the average ratio has a sound basis and should be proposed as a first step. The ratio will be subject to review and, if necessary, adjustment will be proposed within the context of reporting on the support account for peace-keeping operations, should it be approved.

14. As the level of the account is to be a direct function of actual requirements, it is intended that this financing method should be reviewed at the end of the first two years, in the light of the actual experience gained in the operation of the support account and taking into consideration the amounts made available to it from the budget proposals submitted in respect of the peace-keeping operations for consideration by the Advisory Committee and the General Assembly. The results of this review would be reported to the Committee and the Assembly. Should this financing method be, at that point, extended and adjustments in the ratio become necessary, proposals for such adjustments would be made at that time. Adjustments could be either positive or negative and the reasons for this would be incorporated in the relevant reports.

15. Control and scrutiny by the Advisory Committee in the first instance and eventually by the General Assembly is exercised in the process of their consideration and decision with respect to the Secretary-General's proposals for the financing of the support account and subsequent annual scrutiny of the budget performance reports.

16. Proposals for the creation of posts to meet the additional work-load resulting from or caused by good offices and peace-keeping activities would be checked by the

Programme Planning and Budget Division against the following criteria, which are essentially the same criteria as govern the creation of posts relating to services provided by the United Nations:

- (a) Work-load indication;
- (b) Functional relationship of the proposed post to the work plan of the office or department;
- (c) Possibilities for redeployment of existing staff resources to meet the functional need that has been identified;
- (d) The appropriateness of funding the post from the support account for peace-keeping operations rather than from regular budget resources and of the type of contract to be offered to the incumbent in order to preserve a flexible management of staff resources;
- (e) Proposed grading of posts vis-à-vis prevailing standards for post classification (all posts are to be formally submitted to the Office of Human Resources Management for classification before authorization);
- (f) The effect that the creation of the post would have on the grading and organizational structures of the unit in which it is to be placed, bearing in mind the temporary nature of the post to be created;
- (g) The duration of the post functions and the availability of the current and expected funding sources.

17. These criteria would be observed in the creation of all temporary posts chargeable to the support account. Whenever the proposal involved the creation of any new post, extreme care would be exercised in the application of all of these criteria, with special emphasis on (e) and (f) above. Moreover, the approval of the Assistant Secretary-General for the Office of Programme Planning, Budget and Finance would be required in each instance, subject to prior concurrence of the Advisory Committee.

18. Information on the posts charged to the support account would be contained in the relevant sections and subsections of the proposed programme budget covering the offices involved. For its review the Advisory Committee would also be provided with a report every two years on the support account as a whole that would include the amounts of the allotments allocated and expenditures incurred during the financial period and the Secretary-General's proposals for the succeeding financial period.

19. On the basis of the above additional information, the Secretary-General renews his request to the General Assembly for the establishment of the support account for peace-keeping operations.