



General Assembly

Distr.: General
7 March 2001

Original: English

Fifty-fifth session

Fifth Committee

Agenda item 153 (a)

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

**Letter dated 26 January 2001 from the Chairman of the post-
Phase V Working Group on reformed procedures for determining
reimbursement of contingent-owned equipment to the Chairman
of the Fifth Committee**

In my capacity as Chairman of the post-Phase V Working Group on reformed procedures for determining reimbursement of contingent-owned equipment, I have the honour of transmitting to the Fifth Committee of the General Assembly the report of the Working Group dated 26 January 2001.

(Signed) Lieutenant Colonel Claus Uttrup **Pedersen**
Chairman
Post-Phase V Working Group



Report of the post-Phase V Working Group on reformed procedures for determining reimbursement of contingent-owned equipment

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction	1–19	4
II. Summary of statements	20–21	6
A. Statement of the Assistant Secretary-General	20	6
B. Summary of discussion at the first plenary meeting	21	6
III. Programme of work of the Working Group	22–25	6
A. Election of officers	22	6
B. Adoption of the agenda	23–24	7
C. Election of the Chairman of the sub-working groups	25	7
IV. Review of methodology, reimbursement rates and performance standards	26	7
A. Major equipment	26–60	7
B. Self-sustainment	61–79	12
C. Troop costs	80–93	16
D. Medical support services	94–118	19

Annexes

Major equipment

I.A. Standard deviation calculations	23
I.B. Reimbursement rates by category: changes and additions	28
I.C. Standard rates of reimbursement for painting and repainting	31
Appendix 1. Grouping by type of major equipment	32
Appendix 2. Painting costs	36
Appendix 3. Repainting costs	39

Self-sustainment

II.A. Guidelines for costing of self-sustainment capabilities	42
II.B. Guidelines for implementation of self-sustainment	43
Appendix 1. Guidelines for communications self-sustainment	46
Appendix 2. Guidelines for electronic data processing/office equipment	48
II.C. Self-sustainment: review of rates	49

II.D.	Secretariat-developed capabilities	
	Appendix 1.1. Field defence stores: cost-benefit analysis	52
	Appendix 1.2. Standard requirement of field defence stores for peacekeeping forces	53
	Appendix 2. Night vision devices: cost-benefit analysis	54
	Appendix 3. Accommodation (semi-rigid softwall structures): cost-benefit analysis	55
II.E.	Guidelines for field defence stores for peacekeeping forces	56
<i>Medical support services</i>		
III.A.	Requirements for medical facilities: levels I, II and III modules	57
III.B.	Proposed changes in the Contingent-Owned Equipment Manual	79
III.C.	Entry medical examination form; <i>Medical Support Manual</i> , 2nd edition, immunization policy	107
III.D.	Methodology for the development and revision of medical equipment and self-sustainment rates	115
III.E.	Compilation of costs for medical preparation/examination and vaccinations	117
IV.	Scope of work	119

I. Introduction

1. In its resolution 47/218 B of 14 September 1993, the General Assembly requested the Secretary-General to submit a comprehensive report on all issues that affect the successful operation and administration of peacekeeping operations.

2. In his report to the General Assembly of 25 May 1994 (A/48/945 and Corr.1), the Secretary-General indicated that the procedures for determining reimbursement to Member States for contingent-owned equipment provided to peacekeeping missions had become overly cumbersome, both to the United Nations and to the contributing countries (para. 82). The Secretary-General also suggested that established procedures for compensation to Member States for military contingent personnel could be used as a model (para. 83).

3. In its resolution 49/233 A of 23 December 1994, the General Assembly authorized the Secretary-General to proceed with the project, in accordance with the proposed timetable set out in the annex to the resolution, with a view to setting comprehensive standards for each category of equipment and establishing rates of reimbursement. The Secretary-General was to invite Member States, in particular troop-contributing countries, to participate in the process and to submit proposals to establish new rates of reimbursement to the General Assembly for approval.

4. The Secretariat undertook to identify, as part of phase I of the project, items of contingent-owned equipment for classification as either major or minor equipment by the Phase II Working Group. Under phase II of the project, a Working Group consisting of technical experts from troop-contributing countries met from 27 March to 7 April 1995 to identify standards for major and minor equipment and consumables for which reimbursement would be authorized. The Working Group agreed that a force-leasing concept based on a wet/dry lease arrangement should be adopted for mission budgeting, expenditure control and cost reimbursement purposes. It extended its review to consider a monthly dollar reimbursement rate linked to troop strength to cover self-sustainment costs and agreed that such costs were exclusive of the reimbursement rates approved by the General Assembly in its resolution 45/258 of 3 May 1991 (e.g., the \$988 troop cost reimbursement rate). The report of

the Phase II Working Group was issued in document A/C.5/49/66 of 2 May 1995. The report highlights a series of required actions for discussion in phase III of the project.

5. As recommended by the Phase II Working Group, an ad hoc working group hosted by the United Kingdom of Great Britain and Northern Ireland and consisting of technical and financial experts from seven troop-contributing countries met with Secretariat representatives in May 1995 to develop rates that could be considered by the Phase III Working Group.

6. Under phase III of the project, a working group of financial experts met from 10 to 20 July 1995 to consider the recommendations adopted by the Phase II Working Group, to review the rates of reimbursement proposed by the ad hoc working group and to make recommendations for comprehensive standards for which reimbursement would be authorized. The report of the Phase III Working Group was issued in document A/C.5/49/70 of 20 July 1995.

7. The results of the work of the Phase III Working Group were confirmed by an ad hoc working group, which met from 31 July to 4 August 1995. The group compared the cost of the proposed system with the cost of the current one by using data on 12 contingents from 9 countries participating in peacekeeping operations during 1993 and 1994.

8. In his report of 8 December 1995 (A/50/807), the Secretary-General recommended approval of most of the recommendations of the Phase II and Phase III Working Groups and, in respect of other items, made alternative recommendations for consideration by the General Assembly.

9. The General Assembly on 11 April 1996, in its resolution 50/222, endorsed the recommendations on the reform of the procedures for determining reimbursement to Member States for contingent-owned equipment and decided to review the operation of the reformed procedures at its fifty-second session. It requested the Secretary-General to submit for its consideration, a report on the first full year of implementation of the reformed procedures.

10. In its resolution 51/218 E of 17 June 1997, the General Assembly requested the Secretary-General to convene the Phase IV Working Group prior to submitting his report on the first full year of implementation of the reformed procedures.

11. The purpose of the Phase IV Working Group was to review the rates published in the report of the Phase III Working Group and to facilitate the preparation of the report on the first year of implementation of the reformed procedures requested by the General Assembly in resolution 51/218 E, pursuant to the recommendation of the Phase III Working Group (A/C.5/49/70, para. 51 (c)), paragraphs 4 to 6 of Assembly resolution 50/222, and paragraph 2 of section 1 of Assembly resolution 51/218 E.

12. The Secretariat presented issue papers to the Phase IV Working Group on the experience gained so far in the implementation of the new procedures. By its resolution 54/19 A of 29 October 1999, the General Assembly endorsed the recommendations of the Phase IV Working Group.

13. As requested by the General Assembly in its decision 53/480 of 8 June 1999, the Secretary-General convened the Phase V Working Group from 24 to 28 January 2000. Pursuant to Assembly resolution 49/233 A, the mandate of the Phase V Working Group was to conduct a periodic review of the phase II and phase III standards. In addition, to facilitate these tasks, the Secretary-General proposed that a methodology be developed to ensure consistent application in future reviews. The report of the Phase V Working Group is contained in document A/C.5/54/49.

14. In accordance with its mandate, the Phase V Working Group:

(a) Proposed a methodology for the periodic revision of the rates in major equipment, self-sustainment and special cases;

(b) Recommended improvements with regard to some performance standards and reimbursement procedures;

(c) Adopted, with the exception of the amendments set out in paragraph 86 of its report, the Secretary-General's proposal on medical support services.

15. By its resolution 54/19 B of 15 June 2000, the General Assembly endorsed the recommendations of the Phase V Working Group, and decided to convene, in accordance with annex IX to the report of the Phase V Working Group, a post-Phase V Working Group in January/February 2001, for not less than 10 working days. The Group would determine an appropriate average index to be applied to the existing

rates for major equipment, self-sustainment and medical support services. To this effect, the General Assembly requested Member States to provide to the Secretariat, by 31 October 2000 at the latest, data pertaining to major equipment and self-sustainment, including the data referred to in the recommendations made by the Phase V Working Group in paragraphs 44 and 45 of its report concerning the cost of painting and repainting of major equipment, in order for the Secretariat to report to the General Assembly in November 2000 on the adequacy of the data.

16. In its decision 55/452 of 23 December 2000, the General Assembly took note of the note by the Secretary-General on the reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/55/650) and decided to convene a meeting of the post-Phase V Working Group during the period from 15 to 26 January 2001 to conduct a review of the reimbursement rates for contingent-owned equipment and the methodology for review of the troop cost rates, in accordance with its resolution 54/19 B and its resolution 55/229 of 23 December 2000.

17. The post-Phase V Working Group began its deliberations on 15 January 2001, to review and update the standards and rates for major equipment, self-sustainment, medical support services and troop costs. Due note was taken of the scope of the work of the Working Group detailed in annex IX to the report of the Phase V Working Group, and the post-Phase V Working Group considered data provided by Member States and its implications for the Organization and its Members. In annex IV to the present report, the scope of work for future working groups has been agreed upon.

18. The recommendations contained in the present report must be read in conjunction with the recommendations contained in the reports of the Phase II, III, IV and V Working Groups. In some cases, the recommendations in the present report supplement and/or supersede those contained in the previous reports.

19. The Working Group was presented with a number of issue papers by various Member States and the Secretariat. The issue papers were referred to sub-working groups for consideration. The present report summarizes the discussions and the key recommendations of the Working Group. The

information contained in the annexes to the present report provides additional rationale and technical considerations and, as such, constitutes essential complementary data in the light of which the recommendations should be analysed and implemented. The Working Group addressed the issues in four major categories, namely, major equipment, self-sustainment, troop costs and medical support services, and made recommendations thereon.

II. Summary of statements

A. Statement of the Assistant Secretary-General

20. In his opening remarks, the Assistant Secretary-General for Peacekeeping Operations, Michael Sheehan, welcomed the achievements of the Phase V Working Group in January 2000, which had allowed progress to be made on the development of a methodology for the systematic review of reimbursement rates and policies and procedures. He stressed the importance of the post-phase V meeting, whose results would provide for an efficient administration of the contingent-owned equipment system. The Assistant Secretary-General noted the fact that the new procedures for reimbursement of contingent-owned equipment that have been in effect since 1996 have improved fairness and transparency. Availability of updated cost data from troop contributors now permits a proper review of the methodology and the rates of reimbursement. The possibility of the United Nations taking over the responsibility of providing accommodation (tentage/semi-rigid accommodation) and field defence stores, as opposed to their being included under self-sustainment, was proposed for the consideration of the Working Group.

B. Summary of discussion at the first plenary meeting

21. The representatives of India, Canada, Pakistan, Finland, the United Kingdom of Great Britain and Northern Ireland, Algeria, Denmark, the Republic of Korea, Jordan, Egypt, Kenya, Argentina, Norway, Sweden, Bangladesh and Morocco made statements. The Secretariat was complimented for the background

papers provided. Salient points made by the speakers at the first plenary meeting are set out below:

(a) The methodology used for reimbursement under the new procedures is a great improvement over that of the old system; however, the mandate of the current working group is vast in scope and hence there is a lot of work at hand. Any revision should result in procedures that will enhance transparency and flexibility and should not conflict with the financial rules and regulations of the United Nations;

(b) The meeting provides an opportunity to introduce improvements in the contingent-owned equipment system by validating the rate review methodology adopted by the Phase V Working Group and putting it into practice. Since this is the first of the triennial rate reviews, sufficient emphasis should be placed on the credibility and responsiveness of the system. The Working Group should also look at future policy issues relating to contingent-owned equipment, such as the size and composition of contingent support elements in wet lease and self-sustainment scenarios;

(c) Any system that is eventually implemented should ensure that the troop contributors to United Nations peacekeeping operations are duly compensated, and that all soldiers are treated on an equal footing;

(d) Agenda items decided upon by the General Assembly and the Phase V Working Group should be considered on a priority basis, and only then should additional questions raised by individual delegations be taken up, time permitting;

(e) Questions relating to the programme of work were also raised.

III. Programme of work of the Working Group

A. Election of officers

22. Colonel Claus Uttrup Pedersen (Denmark) was elected Chairman of the post-Phase V Working Group by consensus. On a request for nominations, Colonel Ishayah Isha Hassan (Nigeria) and A. V. S. Ramesh Chandra (India) were elected, by acclamation Vice-Chairman and Rapporteur, respectively.

B. Adoption of the agenda

23. The Working Group adopted the following tentative agenda for its session (15-26 January 2001):

Major equipment

- (a) Validation of the methodology for periodic review of major equipment rates (A/C.5/54/49, annexes I-IV);
- (b) Review of major equipment rates;
- (c) Review of new categories and subcategories for major equipment;
- (d) Review of standardized rates for special cases:
 - (i) Radar/navigational equipment;
 - (ii) Tanks and armoured personnel carriers;
 - (iii) Demining equipment;
 - (iv) Armament;
 - (v) Heavy engineering equipment;
 - (vi) Various logistics equipment.

Self-sustainment

- (a) Validation of methodology for periodic review of self-sustainment;
- (b) Review of self-sustainment standards for existing categories;
- (c) Review of self-sustainment rates.

Medical support services

- (a) Review of policies on medical support services (including force level/force-wide concepts);
- (b) Review of policy on vaccination costs;
- (c) Review of policy on medical equipment threshold;
- (d) Review of maintenance costs for levels I, II and III medical facilities.

Troop costs

Review of methodology for reimbursement of troop costs.

Other issues

- (a) Generic reimbursement (standard cost) for painting and repainting of vehicles and other items of major equipment;
- (b) Policy on inland transportation costs;
- (c) Updating of the model memorandum of understanding.

24. On the proposals of Finland and Canada, the Chair ruled that these issues could be considered in the competent sub-working groups. On the question of the inclusion of review of rates for troop-cost reimbursement in the agenda of the related sub-working group, the Chairman, given different interpretations of language contained in the enabling resolution, and taking into account the clarifications from the Secretariat, requested the sub-working group concerned to discuss the matter further.

C. Election of the Chairmen of the sub-working groups

25. The negotiations were conducted in four separate sub-working groups on the following subjects: major equipment, self-sustainment, troop costs, and medical support services. Following proposals to this effect, the Chairman announced the election of the following delegations to chair the deliberations in the four sub-working groups: major equipment — Sweden; self-sustainment — Zimbabwe; troop costs — India; medical support services — Belgium.

IV. Review of methodology, reimbursement rates and performance standards

A. Major equipment

26. The Working Group considered the following five issues relating to major equipment:

- (a) Validation of the methodology for the rates for major equipment;

(b) Special cases and new categories or subcategories;

(c) Liability for damage to major equipment used by one country and owned by another;

(d) Generic reimbursement for painting and repainting of items of major equipment;

(e) Policy on inland transportation costs for major equipment.

1. Validation of the methodology for the rates for major equipment

27. The first of the triennial reviews of major equipment rates was conducted on the basis of data (group index per category) submitted by troop contributors for the period 1996-1999. The methodology was developed in the Phase V Working Group. The existing rates were calculated in 1995, and approved by the General Assembly in 1996 (resolution 50/222).

28. It was agreed that index data submitted by troop contributors according to the decisions of the Phase V Working Group should be the basis for the calculations and evaluations.

29. It was also agreed that, given variations in the data received, it was important that an applicable and agreeable statistical tool should be used.

30. Calculations were done using a standard deviation as the statistical tool to make it possible to better compare averages.

Recommendations

31. The proposed rates, calculated using the above-mentioned methodology within a maximum of 25 per cent standard deviation, as highlighted in annex I.A., should be applied to the dry lease rates and the maintenance rates.

32. The Working Group recommended that the major equipment rates be incorporated in the 2001/02 peacekeeping budget using the indices by category, as detailed in annex I.A. Furthermore, the new calculated rates per category have been weighed with United Nations expenditures made in recent peacekeeping operations. The result of this calculation is shown as "impact percentage" on the United Nations budget.

33. These standard deviation calculations should be used in future triennial reviews of major equipment rates using available data and a standard deviation.

2. Special cases and new categories or subcategories

34. The major equipment categories were reviewed to determine whether there should be additional subcategories based on information from Member States and the Secretariat. In addition, the generic fair market value, maintenance rates and dry lease rates for special cases which the Phase V Working Group had decided should be considered as major equipment were determined.

35. On the basis of the deliberations of the Phase V Working Group, it was decided to further break down the categories of armoured personnel carrier to heavy and light, and logistical equipment by capacity.

36. Intensive studies of the process of determining the types of armoured personnel carrier that fit under the heavy and light categories have shown that this is not practical because of the variety of existing armoured personnel carriers and national modifications. It was, however, acknowledged that a classification based on the generic fair market value would be acceptable owing to the fact that there are high- and low-value armoured personnel carriers serving with all countries. The most common types have been reclassified in three categories (classes I, II and III). Applying classes to only the most common types of armoured personnel carrier avoided further detailing and complicating this category of major equipment.

37. It was further recognized that a classification by generic fair market value would be beneficial to the United Nations, and the Member States, with respect to loss and damage.

38. Some categories of major equipment have been further broken down to subcategories and specified by capacity (see annex I.B) in order to simplify the identification of the major equipment for both the Member States and the Secretariat.

Recommendations

39. The working group recommends that the attached updated list of major equipment (annex I.B) be approved with the new categories and the

specifications. The working group further recommends, on the basis of information available from Member States, that no new categories based on data provided for special cases be applied at this time.

40. The rates for the new categories for armoured personnel carriers should be regarded as interim until a proper collection of data has been done. To determine in which class an armoured personnel carrier or tank should be placed, the closest value to the generic fair market value of the class of the equipment will be used.

3. Liability for damage to major equipment used by one country and owned by another

41. The current reimbursement method came into effect on 1 July 1996. According to the procedures, when a troop-contributing country provides major equipment, such as armoured personnel carriers, on a wet lease basis, to the United Nations, to be used by another country at the behest of the United Nations, the providing country will be reimbursed as follows:

(a) Wet lease rate per armoured personnel carrier: US\$ 5,787 per month (dry lease rate of \$2,079 per month + maintenance rate of \$3,708 per month);

(b) Damage due to wilful misconduct or gross negligence will remain the responsibility of the country using the equipment;

(c) Damage due to a no-fault incident are covered by the "no-fault incident factor" included in the monthly rate (0.5 per cent). A no-fault incident is "an incident resulting from a mishap, which is not attributable to wilful misconduct or gross negligence on the part of an operator/custodian of equipment" (Contingent-Owned Equipment Manual, chap. 6, para. 2).

42. Consequently, damage due to simple negligence will not entail a reimbursement under the current method. Damage due to negligence on the part of an operator will be the responsibility of the providing country. Under a wet lease arrangement a providing country has a responsibility to maintain 90 per cent operational serviceability. When the total number of operationally serviceable vehicles is less than 90 per cent of the quantity authorized in the memorandum of understanding, the reimbursement payment will be reduced appropriately.

43. The Board of Inquiry/Property Survey Board, established by the Head of the Mission, shall determine, case by case, the actual damage, and the party responsible, for the damage and whether through wilful misconduct, gross negligence or mishap. Finally, the Board of Inquiry/Property Survey Board will recommend a settlement of the case.

44. The United Nations will take action to implement the decision of the Property Survey Board and facilitate the necessary compensation as appropriate.

Example

45. The problems involved may best be illustrated by the following example: A soldier is driving an armoured personnel carrier owned by another country in low gear at maximum speed on a highway against the manual instructions for the vehicle, resulting in engine damage. Sufficient training for using the armoured personnel carrier has been provided by the country providing the equipment. Consequently, the owner country is responsible for repairing the engine, and repair costs will be covered under the maintenance rate (\$3,708 a month). However, repair costs for this single damage will amount to \$10,000. The armoured personnel carrier is off the road for three to five days, reducing the number of serviceable vehicles to 85 per cent.

46. The mission Board of Inquiry then finds that there was no gross negligence or wilful misconduct involved, but that the incident was not an accident and was caused by the simple negligence of the driver, who should pay for the damage, i.e., \$10,000. Certain delegations asked what the effect would be on the reimbursement payment.

47. The following points are expected to be taken into consideration by the Secretariat when preparing deployment to a new mission or reducing or increasing resources in an existing mission: identification of suitable and available major equipment, arrangement for major equipment based on the wet/dry lease system and establishment of the necessary memorandum of understanding between the United Nations and troop contributors.

48. Furthermore, inspection of major equipment shall be carried out in a proper manner, including routine inspection by the provider in connection with maintenance, while reimbursement inspection in connection with any incident involving damage shall

be jointly conducted. The dispute resolution system, as outlined in the Contingent-Owned Equipment Manual, shall be followed.

49. Adequate training will be necessary to ensure that a user is qualified to operate unique major equipment such as armoured personnel carriers. The providing country may be in a position to conduct the training itself or it may be contracted to a third party (another troop contributor or a commercial contractor). The United Nations is responsible for ensuring that this training is conducted and is also responsible for the funding thereof. The arrangements to provide and conduct this training are as negotiated between the United Nations and the using and providing troop contributors and the results of the deliberations are reflected in the memorandum of understanding.

Recommendations

50. It is recommended that the following principles should be applied in a peacekeeping mission when one country provides major equipment to be used by another country:

(a) Adequate training is necessary to ensure that a user is qualified to operate unique major equipment such as armoured personnel carriers. The United Nations will be responsible for ensuring that this training is conducted. It will also be fully responsible for the funding thereof. The arrangements to provide and conduct this training are as negotiated between the United Nations and the using and providing troop contributors and the results of the deliberations should be reflected in the memorandum of understanding;

(b) Major equipment provided to a United Nations peacekeeping mission by a troop contributor and used by another country shall be treated with due diligence. The user country shall be responsible for reimbursing the providing country, through the United Nations, for any damage that may occur, whether as a result of wilful misconduct, gross negligence or negligence by personnel of the user country;

(c) Any incident involving damage shall be investigated and processed according to the application of United Nations rules and regulations;

(d) The above-mentioned principles and procedures shall be taken into account by the Secretariat when establishing or amending

memorandums of understanding between the United Nations and the troop contributors.

4. Generic reimbursement for painting and repainting of major equipment

51. The United Nations is currently responsible for painting and repainting costs of applicable major equipment required for agreed participation in a United Nations peacekeeping mission. Until now, the reimbursement has been based upon submission of a claim whereby the troop contributor submits documentation to substantiate the costs associated with painting and repainting. However, it was agreed in the phase V process that a generic rate should be calculated. To this end, the troop contributors were requested to provide painting and repainting costs for major equipment provided to United Nations peacekeeping missions.

52. It has not been possible for troop contributors to provide data for all pieces of major equipment, as this information would not be available unless such equipment had been used by that troop contributor on a peacekeeping mission. The painting and repainting costs vary from one contributor to another depending upon the method used by the troop contributor to paint or repaint the major equipment. For instance, some troop contributors use specific colours to protect against infrared detection and some must repaint in national colours with a disruptive pattern of two or more colours. In addition, some painting and repainting is conducted in the contributor's territory and some in the mission area. Thus, it is difficult for some troop contributors to provide information regarding actual painting and repainting costs.

53. Using as much of the available data as possible provided by the troop contributors, it was proposed to group major equipment into similar types, an approach in keeping with the contingent-owned equipment concept of simplicity. The actual major equipment considered in each type is listed in appendix 1 to annex I.C. Equipment is grouped by type based upon the size (surface to be painted and repainted) and complexity (labour involved, for example, to mask, remove and reinstall as required). Within this grouping, an average rate is inputted from each troop contributor from whom data is available and an average is calculated. To clarify, if a troop contributor provided more than one rate within the armoured personnel carrier type, an average is computed for that troop contributor. Then, a

simple average is computed based upon the available troop contributor data for that major equipment type. Appendices 2 and 3 to annex I.C provide the painting and repainting rates, respectively, by vehicle type.

54. For special cases, if the equipment can be logically fitted into one of the existing categories, that painting and repainting rate would be applied. If not, reimbursement would be based upon presentation of actual costs and the generic reimbursement would be calculated at the next triennial review once sufficient documentation is gathered to calculate a generic painting and repainting rate.

55. Using the figures in appendices 2 and 3 to annex I.C for all major equipment types, a total is calculated. This results in an average painting to repainting ratio of 1:1.19. This ratio could be used for an occasion in which a troop contributor provides data for either the painting or repainting of special case equipment, to convert it to the other rate.

Recommendations

56. The Working Group recommends that:

(a) The rates listed in annex I.C be adopted for the painting and repainting of major equipment;

(b) The ratio of 1:1.19 for painting to repainting rates be adopted for current, and future, special cases.

5. Policy on inland transportation costs for major equipment

57. The following concerns were raised by the representatives with regard to the existing transportation policy:

(a) Difficulty in producing commercial evidence in support of claims for inland transportation resulting in some troop contributors being disadvantaged by not being able to raise a claim in retrospect;

(b) Geographical and environmental factors also affect the ability of some troop contributors to deploy material from an agreed originating point to an agreed point of embarkation; this is the case in particular for landlocked countries, deployment from which is dependent on border crossings, changes in mode of transportation or changes in altitude, climate, geography or environment. All these factors directly affect the direct costs to troop contributors;

(c) Difficulties in determining reimbursement for the use of port facilities, packing expenses, commercial labour for loading and unloading and use of commercial equipment at the port of embarkation or disembarkation;

(d) Difficulties in substantiating the claims when the transportation has been carried out by military means;

(e) Some countries rotate troops and major equipment as a routine part of their operation. This creates corresponding inland transportation costs in respect of the major equipment.

58. Under the existing policy for inland transportation, only the transportation of major equipment is subject to reimbursement. Transportation of associated spare parts and consumables is the responsibility of the troop contributor and is included in the maintenance rate (see Contingent-Owned Equipment Manual 2001 edition, appendix 4).

59. The memorandum of understanding established between the United Nations and the troop contributor should indicate the originating location(s) and port of embarkation.

Recommendations

60. It is recommended that the following amendments are made to the Contingent-Owned Equipment Manual 2001 Edition:

(a) The reimbursement should be based on the letter-of-assist procedure, whereby the conditions concerning all the transportation costs are agreed upon in advance. This will give the Secretariat an indication of the cost of the operation and will permit the subsequent claim to be based on a prior approval according to the agreed United Nations regulations. In the negotiation of the letter of assist the following factors should be taken into consideration:

(i) Climate changes on route to the point of embarkation;

(ii) Environmental changes;

(iii) Border crossing (crossing from one State to another for the purpose of transiting to a point of embarkation);

(iv) Changes in transportation mode (from road to rail, different rail gauges, road to water etc);

(b) Documented costs related to loading and unloading major equipment prior to deployment and after repatriation are to be met by the United Nations and should be reflected in the letter of assist. The same cost for additional major equipment deployed by troop contributors will not be eligible for reimbursement unless the deployment has prior approval by the United Nations. All other associated cost is met on the basis of the letter of assist;

(c) When transportation is provided by military means, the incremental cost is eligible for reimbursement, except the labour cost of military personnel;

(d) For pending cases of inland transportation in previous missions (i.e., after July 1996 and those that have retroactively chosen the new contingent-owned equipment methodology) where a letter of assist has not been raised, troop contributors have to present a claim supported by appropriate documentation.

B. Self-sustainment

61. The Working Group considered the following issues relating to self-sustainment:

(a) Review of self-sustainment categories and standards;

(b) Methodology for periodic review of self-sustainment rates;

(c) Review of self-sustainment rates.

1. Review of self-sustainment categories and standards

62. The Phase V Working Group, in January 2000, carried out a comprehensive review of the self-sustainment categories and standards (see A/C.5/54/49), and the recommended amendments and additions were subsequently incorporated in the Contingent-Owned Equipment Manual 2001 Edition (chap. 3, annex B).

63. The post-Phase V Working Group relied on the approach used by the Phase V Working Group and centred its review on the capability for each function required rather than on the details of a prescriptive list of the type and levels of equipment required. There was unanimous support for concentrating on the provision of the capability, with the Working Group

confirming that the delivery of the capability would result from detailed consultations between the United Nations and the deploying contingent.

64. The Working Group endorsed the proposal of the Secretariat to develop a capability to provide accommodation, night observation, and field defence functions where deploying contingents were unable to provide these functions. Those particular capabilities were identified as having an impact on the health, safety and security of deployed contingents affecting operational capability.

65. The Working Group discussed all the self-sustainment categories and standards, in particular the following areas:

(a) **Catering.** Discussion centred on the health implications of not meeting catering standards. The United Nations could provide this capability subject to confirmation during discussions on the memorandum of understanding;

(b) **Communications.** No change;

(c) **Office.** Contingents could request the United Nations to provide this capability as a complete self-contained function subject to confirmation during discussions on the memorandum of understanding;

(d) **Electrical.** The Secretariat confirmed that field inspections had identified some contingents which had deployed without generators or with generators that had a limited remaining lifespan. The Working Group endorsed the key principle of respecting the commitment of providing the capability. A contingent could request the United Nations to provide this capability as a complete self-contained function subject to confirmation during discussions on the memorandum of understanding;

(e) **Minor engineering.** No change;

(f) **Explosive ordnance disposal.** No change;

(g) **Laundry and cleaning.** The discussion confirmed that the laundry function for personnel included personal clothing items. The Secretariat advised that the lack or poor provision of this function remained a significant health risk and should be given a high priority. In addition, the Working Group indicated that this category of self-sustainment included the cleaning of accommodation and office areas;

(h) **Tentage.** The Working Group was advised by the Secretariat that field inspections had confirmed that contingents had deployed without tentage or with inadequate tentage. The provision of this capability remained a significant health risk and should also be given a high priority. The Secretariat informed the Group that a modular semi-rigid soft wall structure had been developed and that the United Nations was able to provide this capability, subject to confirmation during the discussions on the memorandum of understanding. The Working Group discussed the provision of ablutions units. It was acknowledged that the United Nations normally provides this capability. However, it was agreed that when a contingent provided this capability it would be reimbursed as major equipment;

(i) **Accommodation.** No change;

(j) **Medical.** See section D below, on medical support services;

(k) **Observation.** Discussions centred on the list of observation equipment contained within the Contingent-Owned Equipment Manual 2001 Edition, appendix I. It was confirmed by the Secretariat that the list was merely a guide and that, in practice, field inspections focused on the standards being achieved rather than counting the number and types of equipment. The Secretariat advised that the United Nations was able to provide the night observation equipment capability, subject to confirmation during discussions on the memorandum of understanding;

(l) **Identification.** No change;

(m) **Nuclear, biological and chemical protection.** It was made clear that this category and level of reimbursement covered the initial decontamination only. Any further or more comprehensive decontamination would have to be negotiated separately;

(n) **Field defence stores.** Capability to provide suitable field defence was a key safety concern. The Secretariat presented a generic defence stores package that it believed would afford a suitable level of Field Defence for a deployed contingent of 850 personnel. There was considerable discussion about the package and consensus was reached that the package would afford a suitable level of field defence. Deploying contingents would retain the right to provide this capability but the United Nations is able to provide this capability, subject to confirmation during the

discussions on the memorandum of understanding. It was agreed that the field defence package shown in annex II.E should be included as an appendix to the Contingent-Owned Equipment Manual to provide a simple guide to the minimum level of stores required to provide a suitable level of field defence;

(o) **Miscellaneous general stores.** No change.

66. **United Nations-provided capabilities.** The Secretariat outlined the capabilities that it had developed for the categories of field defence stores, night observation and accommodation. It confirmed that it was able to provide these categories as self-contained capabilities, subject to the normal process of discussion on the memorandum of understanding. Details of these United Nations developed capabilities are attached as appendices 1.1, 1.2, 2 and 3 to annex II.D.

Recommendations

67. The Working Group recommends the following amendments to chapter 3, annex B, of the Contingent-Owned Equipment Manual 2001 Edition:

(a) The following additional principles should be inserted:

(i) The overarching principle is for all contingents to adhere to the commitments made in their respective memoranda of understanding to provide the agreed capability;

(ii) Discussions between the United Nations and the deploying contingent will result in agreement on the capabilities to be provided. A contingent's right to decide to provide any, or some, of the categories of the required capabilities will be respected;

(iii) Deploying contingents are to confirm their requirement for assistance from the United Nations for the provision of any of the categories before deployment. Deploying contingents are to note that the notification period required for some of the categories is 90 days;

(b) The standard for **catering** should be amended as follows: *for* all their camps *read* the camps they are responsible for as detailed in the memorandum of understanding;

(c) The standard for **office** should be amended to include: "The United Nations could provide this

capability as a complete self-contained function subject to the agreed overarching principles outlined above”;

(d) The standard for **electrical** should be amended to include: “The United Nations could provide this capability as a complete self-contained function subject to the agreed overarching principles outlined above”;

(e) The standard for **laundry and cleaning** should be amended as follows:

(i) Paragraph 22 (a) *should read* “Provide laundry for all military and personal clothing, including dry-cleaning of operationally required specialist clothing and cleaning facilities for all contingent personnel”;

(ii) Paragraph 22 (b) *should read* “Ensure all laundry and cleaning facilities have hygienic equipment that enables a clean and healthy environment to be maintained, i.e., cleaning of accommodation and office areas”;

(f) The standard for **tentage** should be amended to include:

(i) In paragraph 25, after the first sentence: “If the United Nations confirms that the capability is required, the deploying contingent will continue to decide if it is to provide its own tentage capability, and be reimbursed accordingly”;

(ii) “The United Nations can provide this capability as a complete self-contained function subject to the agreed overarching principles outlined above”;

(iii) “When a contingent provides ablutions capability then it will be reimbursed under major equipment”;

(iv) “Tentage should include flooring and the ability to heat and cool, as appropriate”;

(g) The standard for **accommodation** should be amended to include “Provide furniture for eating facilities where necessary”;

(h) The standard for **observation** should be amended to include, under “night observation”, “The United Nations can provide the night observation capability as a complete self-contained function subject to the agreed overarching principles outlined above”;

(i) The standard for **field defence stores** should be amended as follows:

(i) Paragraph 40 (ii) *should read* “Establish early warning and detection systems to protect contingent premises”;

(ii) Paragraph 40 (v): *delete* “When the United Nations provides this service to equivalent standards, the unit does not receive reimbursement for this category”; *insert* “The United Nations can provide this capability as a complete self-contained function subject to the agreed overarching principles outlined above.”;

A guide to the stores required for providing a suitable level of field defence for a contingent of 850 personnel is attached as annex II.E;

(j) The standard for **miscellaneous general stores** should be adjusted by deleting paragraph 42, reading: “The contingent must provide all related equipment, maintenance, and supplies. When the United Nations provides this service to equivalent standards, the unit does not receive reimbursement for this category”.

2. Methodology for periodic review of self-sustainment rates

68. According to the recommendation of the Phase V Working Group, the validation of existing rates was to be effected triennially, in keeping with the review period established for major equipment. Rates received for each category would be averaged (less the highest and lowest figures per category), the revised figures being used to establish updated base rates for each category.

69. Discussions in the Working Group focused on the recommendations of the Phase V Working Group, together with alternate options put forward by Member States. Additional options proposed are summarized below:

(a) Countries that have provided rates, and are participating in the Working Group, should be able to justify the rates submitted. This would create more effective benchmark figures;

(b) An appropriate international agency should be called upon, through the Secretariat, to develop rates using the self-sustainment standards, as well as surveys from various Member States, in order to effectively

capture the costs in as many items as possible within each category;

(c) The methodology developed for the major equipment working group could be applied, which would result in the use of statistical applications tempered by a handicap factor to formulate, based on proposed rates submitted by Member States, revised rates for each self-sustainment category;

(d) Using statistical analysis, revised rates are developed by applying a method using a standard deviation to the proposed rates submitted by Member States;

(e) As the option in subparagraph (d) above, but with a 10 per cent ceiling factor applied to each self-sustainment category.

70. The merits and drawbacks of each option were discussed in detail in an effort to develop a system that addressed the concerns and requirements of Member States. Some delegations expressed concern that the guidelines for the sample force provided by the Phase V Working Group to be used as a standard in the formulation of proposed rates lacked clarity, which may have caused Member States to submit imprecise calculations since a great deal of interpretation and speculation would have been necessary to develop the proposed rates.

71. It was initially proposed by a number of representatives that the efforts of the Phase V Working Group be respected, and that the averaging option be pursued. However, consensus could not be achieved, and discussions focused on developing an alternate methodology acceptable to all Member States.

72. After significant discussion, it was agreed to consider some form of statistical methodology as a basis for future rate changes. All the statistical options highlighted above were reviewed. However, consensus was reached on applying the methodology that makes use of the standard deviation and handicap factors to adjust the data submitted by Member States.

73. In addition to the development of a methodology, the Working Group established more effective and comprehensive guidelines to provide a clearer description of the sample force to be used by all Member States in the formulation of proposed rates for the future. These guidelines should be used in conjunction with the self-sustainment standards. Some

costing guidelines are also included to further assist in standardizing the submission process (see annex II.A).

74. In addition to the guidelines mentioned above, guidelines for the implementation of self-sustainment categories are attached as annex II.B, in order to provide a clearer definition of the nature of the type of support expected under self-sustainment. However, it must be emphasized that both sets of guidelines are to be used in the development of the proposed rate.

Recommendations

75. The Working Group recommended the following:

(a) On a triennial basis, the Secretariat will call upon Member States to provide their proposed monthly rates for each self-sustainment category;

(b) The statistical methodology established for major equipment should be applied to self-sustainment in order to develop revised rates for each self-sustainment category using proposed rates provided by Member States. This universally recognized methodology will be applied as follows:

(i) For each self-sustainment category, an average percentage rate is developed based on the percentage deviation per Member State from the current/existing rate;

(ii) A handicap factor is established which is a percentage total of the number of factors provided by Member States for each category (e.g., 22 of 28 Member States provided data in the explosive ordnance disposal self-sustainment category, resulting in a handicap factor of 78.57 per cent);

(iii) The sum of input values for each category is developed by totalling the percentage deviations and dividing by 100;

(iv) The sum of input values is divided by the number of submissions by Member States per category to develop a handicapped average figure. This average figure is applied to the current/existing rate to develop the proposed revised rate;

(v) The optimum cut rate will be determined and used to develop the revised rates.

3. Review of self-sustainment rates

76. It was recommended by the phase V Working Group that the post-Phase V Working Group should recalculate existing rates at the beginning of 2001. The recalculation of the rates should be based on data provided by the Member States during 2000. The Phase V Working Group also decided that there should be a triennial review of self-sustainment rates to the price level at January 2001, based on data submitted by Member States. The existing rates were calculated in 1995, and approved by the General Assembly in 1996.

77. On the basis of data received from Member States during 2000, the Working Group decided to choose the model limiting the standard deviation to 25 per cent for the data available. This model shows a reliable variance in the data that have been taken into consideration and gives an acceptable increase of new rates.

78. Furthermore, the new calculated rates per category have been weighted with United Nations expenditures made in recent peacekeeping operations. The result of this calculation is shown as impact percentage on the United Nations budget in annex II.C.

Recommendations

79. Rates calculated by the methodology for major equipment should be applied to the self-sustainment rates. The Working Group recommended that the self-sustainment rates be incorporated into the 2001/02 peacekeeping budgets using the indices by category, as detailed in annex II.C. The methodology described above should be used in future revisions of self-sustainment rates.

C. Troop costs

80. The Secretariat produced a background paper and three explanatory notes for the Working Group describing the current situation. In brief, standard rates of reimbursement of \$500 per man per month for pay and allowances for troops serving in two peacekeeping missions were agreed by the General Assembly in 1974, along with a standard rate for a supplementary payment of \$150 for a limited number of specialists. This was based on a figure proposed by the troop contributors. These rates were reviewed in 1977, 1980, 1985, 1987 and 1991, and increased in 1977 to \$680 and \$200, respectively, in 1980 to \$950 and \$280, and

in 1991 to \$988 and \$291. In 1975 the General Assembly also agreed to a reimbursement rate of \$65 for personal equipment and clothing and \$5 for ammunition. This has remained unchanged.

81. According to the Secretary-General's report (A/54/763), in the initial study on the basis of which the standard rates of reimbursement were established in 1973, the following three points were considered:

(a) Troops serving side by side should be reimbursed on the same basis for identical services;

(b) No Government should receive a higher reimbursement than its actual cost, that is, no Member State should profit from its participation in the operation;

(c) Some Governments would not be fully reimbursed on the basis of any standard cost-reimbursement formula, but they should be reimbursed at least the amount that was actually paid to their troops as overseas allowance.

82. The Secretariat indicated that it would welcome guidance on the methodology. The Secretariat noted that it had taken account of the information provided in reviewing the troop cost rates, but that the General Assembly had not provided specific guidelines on the conduct and content of the surveys of troop contributors.

83. In his report (A/54/763), the Secretary-General noted that the 1996 survey had indicated an average absorption factor of 53.9 per cent and that a comparison with the previous absorption factor of 32.8 per cent from the 1991 review indicated an increase of 21.1 per cent in the average absorption factor. The Secretary-General suggested that it would appear, therefore, that an upward adjustment to the current rates might be warranted.

84. In considering the Secretary-General's report, the General Assembly, in its resolution 55/229, requested the post-Phase V Working Group to consider the current methodology underlying the calculations of standard rates of reimbursement to troop-contributing States, including ways to produce timely and more representative data, and to report, through the Advisory Committee on Administrative and Budgetary Questions, to the Assembly at its resumed fifty-fifth session on the results of the review.

1. Consideration of methodology

85. Many delegations presented different viewpoints. Two proposals were extensively discussed.

86. A number of delegations presented the following proposal, based on a questionnaire approach:

Proposal 1

“Principles

“(a) Troop contributors participating in United Nations peacekeeping operations should be reimbursed on an equal basis for identical services, i.e., on the basis of a standard cost reimbursement formula.

“(b) The Governments of troop contributors should be reimbursed for additional costs incurred for the participation of their troops in United Nations peacekeeping operations.

“(c) Some Governments would not be fully reimbursed on any standard cost-reimbursement formula.

“Methodology

“(a) The basis for reimbursement will be the additional costs incurred by Member States for the participation of their troops in United Nations peacekeeping operations that will comprise actual overseas allowance.

“(i) For the calculation of the average cost per person per month, the number of persons per rank is weighted against the total troop strength of the contingent.

“(ii) Specialist allowance would continue to be computed and adjusted on the same pattern as troop costs following historical practice.

“(iii) The daily allowance of \$1.28 per day per member of a contingent and leave allowance of \$10.50 per day per member of a contingent for up to seven days is reimbursed directly by the United Nations to the individual contingent member. Since this is not included in the additional costs incurred by troop contributors for their participation in United Nations peacekeeping organizations, it should continue to be paid directly and separately.

“(iv) Current and former troop contributors as well as countries providing formed police units will be surveyed every three years and a standard rate will be calculated on the basis of the average of rates presented, excluding the highest and lowest 25 per cent of the figures from the survey.

“(b) Reimbursement of travel expenses, including inland transportation of troops, would be effected on the basis of letters of assist concluded by troop-contributing countries with the United Nations, on a case-by-case basis.

“(c) Reimbursement of training costs would be effected on the basis of letters of assist concluded by troop contributors with the United Nations, on a case-by-case basis.

“(d) Following approval by the General Assembly of the methodology in paragraph (a) above, the Secretariat will forward a questionnaire on the lines of the 1996 questionnaire to current and former troop contributors as well as countries providing formed police units, with a view to enabling a group of experts to finalize the rates of reimbursement of troop costs based on the new methodology. The questionnaire prepared by the Secretariat will ensure that there is no duplication of components in self-sustainment, medical support services and troop costs.

“In the interim period, pending availability of the results of paragraph (d), and in keeping with the conclusions of the Secretary-General on the need for an increase in the reimbursement of troop costs, there should be an upward revision of the troop costs, specialist allowance, clothing, gear and equipment and ammunition from the current levels by an amount equal to the increase in the indices for major equipment agreed in the post-Phase V process.”

87. A number of delegations, while acknowledging the efforts made, had reservations about a number of aspects, of this proposal in particular:

(a) The need for a triennial review;

(b) The form and content of the questionnaire;

(c) The methodology for calculating the standard rate which should appropriately reflect the varying costs of all current troop contributors;

(d) The treatment of inland transportation, training and specialists through letters of assist;

(e) The role of the group of experts;

(f) The proposed interim increase in the rate;

(g) The reimbursement of formed police units as specialists.

88. A number of delegations, in view of the fact that the last review was undertaken 10 years ago, preferred to have a simpler solution to the problem concerning a review of troop cost rates, as follows:

Proposal 2

“As an alternative to the creation of a standard rate based on actual figures for a number of elements, an arbitrary definition of the ‘cost of a soldier’ could serve as a new starting point. This would mean that no further documentation will be needed and that any reference to the former methodology was cancelled.

“Model

“1. The amount (currently \$988) should cover troop contributors’ costs for:

“(a) Salary (basic and allowances, all costs directly connected with the service of a soldier/NCO/officer in the country’s defence forces);

“(b) United Nations/overseas allowances;

“(c) Training: basic, specialist and mission-oriented, including training on the troop contributor’s own, or United Nations, or borrowed equipment;

“(d) (i) Medical preparation (examination and inoculations), excluding for high-risk areas where the United Nations will cover costs for special vaccines and prophylactic malaria medicine; (ii) post-deployment medical examination;

“(e) Insurances;

“(f) Inland transportation of personnel from home/staging area to the point of embarkation;

“(g) Travel papers, including visa.

“2. Specialists (10 per cent-25 per cent of the force) will be reimbursed an additional 10 per cent or 25 per cent of the troop cost (currently \$988).

“3. The amount does not cover the costs for (a) transportation from the point of embarkation to the mission area; and (b) death and disability. These costs will be reimbursed in accordance with an actual claim and, in the case of death and disability, in accordance with established procedure.

“4. The reimbursement rate for soldiers’ kit (currently \$65+\$5) should be reviewed in accordance with the actual costs (as major equipment). Two groups could be established, namely, (a) basic soldiers kit; and (b) additional protection gear; a separate rate should be established for the following subgroups: (i) flak jacket/bullet-proof vest etc; and (ii) personnel nuclear, biological and chemical protection equipment.

“Establishment of a basic rate

“In the absence of better suggestions, \$988 could serve as the basic figure. However this figure has not been adjusted since 1991 and needs to be updated. It could be adjusted with the same index as for major equipment.”

89. A number of delegations, while acknowledging the efforts made, had reservations about a number of aspects of proposal 2, in particular:

(a) The absence of a proper methodology to fully reflect current costs of troop contributors as the basis for the rate and the retention of the status quo ante as the basis for the rate of reimbursement;

(b) The link drawn between increases in the rate of reimbursement for troop costs and those for the rates of reimbursement for contingent-owned equipment.

2. Overall observations

90. A number of delegations believed that these issues warranted further consideration in order to develop a sound methodology.

91. There was a broad welcome for proposal 1 as an attempt to meet the mandate of the Working Group and for the principles identified in it as a basis for the methodology. Its proponents contended that it had the advantage of enabling the Organization to undertake a comprehensive review of the methodology. However, it was bound to be time-consuming, given the inherent need of another survey and the standardization of a questionnaire prior to its approval by the General Assembly.

92. Proponents of proposal 2 believed that it provided a solution to this complex subject that would give immediate relief to troop contributors whose absorption factor had been rising in the last decade. The proposal would result in the application of the index rate for contingent-owned equipment to the troop cost rate to decide the amount of its enhancement.

Recommendations

93. The Working Group, while expressing certain reservations, recommended that the General Assembly consider all aspects of the methodologies set out above. A number of delegations did not believe that the question of a rate review was within the mandate of the Working Group. The General Assembly may wish to note that a vast majority of troop-contributing countries in the Working Group supported the adoption of proposal 2 as an interim measure.

D. Medical support services

94. The Working Group considered the following questions in relation to medical support services:

(a) Review of policies on medical support services, including:

- (i) The definition of high-risk and normal-risk missions for reimbursement purposes;
- (ii) The application of the term “force-level” as opposed to “force-wide” and “force asset”;
- (iii) The modular approach to medical facilities;
- (iv) The provision of level I medical support;
- (v) Review of the medical aspects of the Contingent-Owned Equipment Manual 2001 edition;
- (vi) The provision of blood and blood products;

(vii) The provision of level II services by level III facilities;

(b) Review of policy on vaccination and examination costs;

(c) Review of policy on medical equipment threshold;

(d) Review of maintenance costs for all levels of medical support;

(e) Review of medical self-sustainment rates;

(f) Methodology for the collection and interpretation of medical data.

1. Review of policies on medical support services

(a) Definition of high-risk and normal-risk missions for reimbursement purposes

95. *High-risk mission*: A mission with high incidence of endemic infectious diseases for which no vaccinations exist. *Normal-risk mission*: All other missions.

(b) Application of the terms “force-level”, “force-wide” and “force asset”

96. In the report of the Phase V Working Group, the term “force-wide” was replaced by the term “force-level”. The Working Group discussed the application of the term “force-level” in relation to the provision of level I medical support. As a result of the discussion it was agreed that all level I medical services are to be considered force assets, thus available to all members of a United Nations mission.

97. A United Nations mission is defined as:

(a) Formed United Nations military and United Nations police units;

(b) United Nations military and United Nations police personnel not members of formed units;

(c) United Nations international civilian staff;

(d) United Nations Volunteers;

(e) Locally employed United Nations staff where applicable.

(c) Modular approach to medical facilities

98. Referring to the recommendation of the Phase V Working Group that future medical support services self-sustainment rates be developed on a modular basis to promote flexibility in the medical mission planning process (A/C.5/54/49, para. 87 (a) (i)), the Working Group agreed upon the following:

(a) Quality, capacity and capability as defined in the report of the Phase V Working Group are the overriding considerations;

(b) A modular price was created based on the sum of the generic fair market value of each item of equipment, and reimbursement will be based upon the sum of the modules provided that the capability of the modules exists.

99. The revised lists in the specifications annex include all equipment required by the Phase V Working Group for the separate levels, but the reimbursement for non-medical equipment (e.g., generators above 20 kVA, ambulances, general hygiene facilities and water purification) are referred to the major equipment list and will be added as major equipment in the memorandum of understanding.

100. The generic fair market value used in phase V has not been changed. A few clerical errors in the lists have been corrected, resulting in slight reductions of the total amounts.

101. The Working Group reached agreement on the modular approach to medical facilities as the basis for reimbursement. The Field Administration and Logistics Division of the Department of Peacekeeping Operations has provided the modular costing based upon the already existing generic fair market value of each piece of medical equipment required in the module. The adjusted costing for the modules is shown in annex III.A.

102. Minor adjustments on medical equipment (adding 1 extra microscope to levels II and III, and changing the pulse oxymeters in the intensive care wards of the same levels to “multiline vital signs monitor”) were made as a result of the experiences of some Member States.

(d) Provision of level I medical support

103. The Working Group made a proposal based on humanitarian principles that level I medical care in an emergency should be provided to all members of the United Nations mission. It also agreed that occasional level I care should be provided in an emergency with no fee as a matter of principle, but that any troop contributor may choose to seek reimbursement for services rendered. The Working Group recognized the requirement to document or register emergency services provided. This matter should be the subject of further review in 2003 based on specific data collected by the Field Administration and Logistics Division from the missions.

(e) Review of the medical aspects of the Contingent-Owned Equipment Manual 2001 edition

104. The paper submitted by the Medical Support Unit of the Field Administration and Logistics Division was revised to the satisfaction of the Working Group. The revised paper suggesting the necessary changes to the Contingent-Owned Equipment Manual is attached as annex III.B.

(f) Provision of blood and blood products

105. The Working Group confirmed that the reimbursement of the self-sustainment rate for blood and blood products is needed to cater to the option of a troop-contributing country requiring the provision of blood and blood products from its own sources. This was recognized as a sensitive area to be discussed in the negotiations of a memorandum of understanding.

(g) Provision of level II services by level III facilities

106. The Working Group acknowledged the concern expressed by some delegations that the activity of a level III medical facility covering an area where there is no medical facility providing level II services is higher than intended. The Working Group recognized that there was an increase in patient workload and consumption of drugs and consumables. As it was generally agreed that there should not be any accumulation of rates in the reimbursement process, it was decided to create a new rate that covers this circumstance. As no historical data currently exist to assist in developing this new rate, the Working Group

recommended the establishment of a rate based on the addition of 50 per cent (\$10.31) of the level II self-sustainment rate (\$20.63) to the level III rate (\$25.13), that is, a new rate of \$35.44, to cover the number of troops not attributed to a level II medical facility.

2. Review of policy on vaccination costs and pre- and post-deployment examinations

107. The Working Group discussed whether these costs were included in the calculation of the absorption factors or other reimbursement rates such as troop costs.

108. The Working Group developed a rate, based on the data provided by Member States and the Medical Support Unit, using an averaging methodology. A new single rate was calculated to cover all costs associated with pre- and post-deployment examinations including vaccinations (according to World Health Organization standards) and prophylaxis against malaria, all laboratory tests including HIV testing and X-rays.

109. Some concerns remained as to whether the costs expressed were in fact included or intended to be included in troop costs. A review of the documentation available to the Working Group failed to clarify the issue.

110. It is very important that data submitted for troop cost rates be verified to determine the inclusion or not of costs associated with vaccinations and examinations.

111. The Working Group recognized that pre- and post-deployment examinations, vaccinations and prophylaxis (e.g., malaria) generate costs.

112. On the basis of data provided by Member States the Working Group calculated an estimate of these costs, as set out below. In reviewing the data collected from Member States by the Secretariat (see annex III.E), the Working Group used only data that were complete and detailed; from these selected data, a simple average was calculated.

Vaccination costs (polio, diphtheria/tetanus, hepatitis A and B, typhus) ^a	\$95
Prophylaxis (malaria) before and after the particular tour of duty	\$5
Examination (pre- and post-deployment), all laboratory tests (including HIV, where applicable) and X-rays (see annex III.C)	\$141
Total	\$241

^a The Working Group evaluated this average vaccination cost by comparing it to the cost from another independent source (\$85), and from three ongoing United Nations missions (average \$97.33), namely, UNTAET (\$102), UNMIK (\$85) and UNAMSIL (\$105).

113. Some of the Member States agreed on the policy and new rates for vaccinations and pre- and post-deployment examination costs. Other Member States had reservations: for example, that the guidelines provided to the Member States for provision of data were not detailed enough to provide comparable data; there were also doubts about the accuracy of the calculations. The need for reimbursement of these costs was questioned.

3. Review of policy on medical equipment threshold

114. The discussion centred on the issue paper presented by Canada on this subject. The Working Group noted the definitions of major and minor equipment in the report of the Phase V Working Group (A/C.5/54/49, para. 87 (a) (ii)) and agreed to provide the Secretariat with a definition of the term "medical supplies" to be used throughout the Contingent-Owned Equipment Manual when referring to supplies and consumables. It agreed that in the context of the modular approach to medical facilities (see paras. 98-102 above), the terms major and minor equipment would be replaced by the term "medical equipment". This addresses adequately the issue of defining a threshold for medical equipment.

4. Review of maintenance costs for all levels of medical support

115. The maintenance rate for these modules was discussed and based on the only data available, from UNTAET. The rate will be kept at 0.5 per cent subject to review by 2003 as a result of additional data to be

collected by the Field Administration and Logistics Division according to the methodology set out in annex III.D to the present report.

5. Review of medical self-sustainment rates

116. The Working Group reviewed the rates suggested for medical self-sustainment. Again, as no historical data exist to validate the amounts proposed by the United Nations, the Working Group agreed that the current specified rates would remain and be the subject of the 2003 review based on data collected by the Field Administration and Logistics Division from the missions in accordance with the methodology shown in annex III.D. Rates are identified in A/C.5/54/49, annex VIII.

6. Methodology for the collection and interpretation of medical data

117. The Working Group, in recognizing the immediate need for developing a methodology for the collection and interpretation of data received from troop contribution and missions, has agreed on the methodology set out in annex III.D. Any troop contributor concerned as to the validity, accuracy or origin of the data requested should address its concern to the Secretariat.

Recommendations

118. The Working Group made the following recommendations:

(a) Concerning the review of policies on medical support services:

- (i) Approval of the definition of high-risk and normal-risk missions for reimbursement purposes;
- (ii) Approval of the application of the term “force asset” as opposed to “force-wide” and “force-level” in the context of medical support;
- (iii) Approval of the modular approach to medical facilities;
- (iv) Agreement on the policy of occasional provision of level I medical support in an emergency to all members of a United Nations mission;
- (v) Approval of suggested changes set out in annex III.B to the medical aspects of the

Contingent-Owned Equipment Manual 2001 edition;

(vi) Confirmation of the rate for the provision of blood and blood products;

(vii) Approval of the new rate for the provision of level II services by level III facilities;

(b) Replacement of the terms “major medical equipment” and “minor medical equipment” by the term “medical equipment”, thereby negating the requirement to develop a major equipment threshold;

(c) Acceptance of the maintenance cost of 0.5 per cent per month for the medical modules at all levels of medical support;

(d) Endorsement of the existing medical self-sustainment rates;

(e) Acceptance of the new methodology for the collection and interpretation of medical data as set out in annex III.D.

