



# General Assembly

Distr.: General  
20 April 2006

Original: English

---

## Sixtieth session

Agenda item 144

### Financing of the United Nations Observer Mission in Georgia

## **Financial performance report for the period from 1 July 2004 to 30 June 2005 and proposed budget for the period from 1 July 2006 to 30 June 2007 of the United Nations Observer Mission in Georgia**

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

Appropriation for 2004/05	\$31,925,700
Expenditure for 2004/05	\$31,070,600
Appropriation for 2005/06	\$34,562,100
Proposal submitted by the Secretary-General 2006/07	\$33,682,500
Recommendation of the Advisory Committee 2006/07	\$33,616,100

## **I. Introduction**

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions, contained in paragraphs 19, 25 and 26 below, would entail a net reduction of \$66,400 in the proposed budget for the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2006 to 30 June 2007 (A/60/652).** The Advisory Committee also makes a number of observations and recommendations with regard to the administration and management of the Mission and opportunities for further savings.

2. The Advisory Committee's general report on administrative and budgetary aspects of peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNOMIG.

3. The documents used by the Advisory Committee in its consideration of the financing of UNOMIG are listed at the end of the present report.

## **II. Financial performance report for the period from 1 July 2004 to 30 June 2005**

4. The General Assembly, in its resolution 58/303, appropriated an amount of \$33,589,200 for the period from 1 July 2004 to 30 June 2005, inclusive of \$31,925,700 for the maintenance of the Mission, \$1,360,000 for the support account for peacekeeping operations and \$303,500 for the United Nations Logistics Base at Brindisi, Italy. UNOMIG expenditures for the period totalled \$31,070,600 gross (\$28,909,000 net), reflecting an unutilized balance of \$855,100 gross (\$892,500 net) or 2.7 per cent gross (3.0 per cent net) of the appropriation.

5. The unspent balance of \$855,100 reflects a net effect of savings of \$1,143,000 under operational costs attributable primarily to lower than budgeted expenditures for ground transportation (owing to the purchase of six armoured vehicles at a lower cost than budgeted as well as the non-purchase of 132 run-flat inserts for 25 Nyala vehicles following a reassessment of the risk of landmine explosions), savings of \$43,300 under military/police personnel and additional requirements of \$331,200 for civilian personnel.

6. The savings under military and police personnel (\$43,300) relate mainly to the higher than anticipated vacancy rate of civilian police. Additional requirements under civilian personnel (\$331,200) are attributable mainly to the higher than budgeted average cost of national staff.

7. The comments of the Advisory Committee on individual objects of expenditure of the performance report of UNOMIG for the period from 1 July 2004 to 30 June 2005 (A/60/643) can be found, where relevant, in the discussions of the proposed budget for UNOMIG for the period from 1 July 2006 to 30 June 2007 (A/60/652), contained in the paragraphs below, and in its general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations.

8. The Secretary-General, in his report on liabilities and proposed funding for after-service health insurance (A/60/450), proposed a number of measures that need to be taken to fund and account for the accrued liabilities for after-service health insurance benefits; the measures provide, inter alia, for the transfer of \$250 million from unencumbered balances and savings on, or cancellation of prior-period obligations of, active peacekeeping missions as at the end of the 2005 fiscal year. **Depending on what the General Assembly may decide, there may be a consequential impact on the financing of UNOMIG and other peacekeeping operations.**

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

9. The Advisory Committee was informed that, as at 30 November 2005, a total of \$270,310,000 had been assessed on Member States in respect of UNOMIG since its inception. Payments received amounted to \$256,582,000, leaving an outstanding balance of \$13,728,000 as at 30 November 2005. The cash position of the Mission

as at 6 February 2006 was \$4.3 million and the unliquidated obligations for the period from 1 July 2004 to 30 June 2005 amounted to \$1,173,000 as at 31 January 2006. The current loan of the Mission from the United Nations Peace Forces amounted to \$6 million.

10. The Secretary-General indicates in paragraph 15 of his report (S/2006/173) that owing to the Mission's precarious financial situation, reimbursement of contingent-owned equipment costs has been suspended since 1 October 2004 and continues to be in arrears. **The Advisory Committee expresses concern at the precarious financial situation of the Mission and recommends that the General Assembly address the issue of settlement of arrears in a timely manner.**

11. The Advisory Committee was informed that the incumbency as at 28 February 2006 was as follows:

<i>Category</i>	<i>Authorized</i>	<i>Encumbered</i>	<i>Vacancy rate (percentage)</i>
Military observers	135	120	11.1
Civilian police	18	11	38.9
International staff	119	103	13.4
National staff	188	183	2.6
United Nations Volunteers	2	1	50.0

12. The Advisory Committee was provided with expenditure data as at 28 February 2006 (see annex) for the period from 1 July 2005 to 30 June 2006. Expenditure for the period amounted to \$21,566,700 gross (\$20,045,900 net) against an apportionment of \$34,562,100 gross (\$32,308,100 net).

#### **IV. Proposed budget for the period from 1 July 2006 to 30 June 2007**

##### **A. Mandate and planned results**

13. The Security Council, by its resolution 1666 (2006), decided to extend the mandate of UNOMIG until 15 October 2006. The cost of maintaining the Mission during the financial period from 1 July 2006 to 30 June 2007 will depend on the duration of the mandate of the Mission as may be approved by the Council for the period beyond 15 October 2006 and will be limited to the amount of appropriation as may be authorized by the General Assembly for the maintenance of UNOMIG during the financial period from 1 July 2006 to 30 June 2007.

14. The Mission has presented its performance for the financial period 2004/05 against the planned results-based frameworks set out in the 2004/05 budget; the actual indicators of achievement and the actually completed outputs are compared with the planned indicators of achievement and planned outputs. The Advisory Committee finds that both the performance report and the budget of UNOMIG reflect noticeable improvements in the results-based budgeting presentation.

15. At the same time, the Advisory Committee is of the view that the performance report should have reflected information on the utilization of resources budgeted for planned activities which were not implemented by the Mission (see, for example, indicators of achievement 1.1.2 and 1.1.3); moreover, information on the mobilized voluntary contributions indicated under expected accomplishments 1.2 and 3.1 should have also been reflected and detailed in section III of the performance report.

16. With regard to the results-based budgeting presentation reflected in the proposed budget for UNOMIG, the Advisory Committee is of the view that the formulation of planned and actual indicators of achievement should be further improved to make them more transparent and measurable; moreover, outputs should be attainable within clearly established time frames so that their monitoring and reporting would be facilitated.

## B. Resource requirements

### 1. Military and police personnel

<i>Category</i>	<i>Approved 2005/06</i>	<i>Proposed 2006/07</i>
Military observers	135	135
Civilian police	18	18

17. The Advisory Committee notes that no change is proposed in the number of military observers and civilian police of UNOMIG for the financial period 2006/07. However, the budgetary requirements under military and police personnel reflect an increase of \$42,300, which is due mainly to the higher estimated cost of rotation travel of military observers and civilian police (\$3,750 per round trip for the period 2006/07, based on the actual rotation expenditures of the Mission during the 2004/05 period).

### 2. Civilian personnel

<i>Category</i>	<i>Approved 2005/06</i>	<i>Proposed 2006/07</i>
International staff	119	117
National General Service staff	188	193
United Nations Volunteers	2	1

18. The Advisory Committee notes that although the proposed staffing establishment reflects a net reduction of two international posts and one United Nations Volunteers post and an increase of five national General Service posts for the financial period 2006/07, the budgetary requirements under civilian personnel reflect an increase of \$1,339,600. This is on account of an average 13 per cent increase in salary scales for national staff effective 1 October 2005 and a lower vacancy rate for international staff (10 per cent), as compared to the 15 per cent vacancy rate used in the preparation of the budget for 2005/06. Another factor

contributing to the increase in resource requirements is the revision of the Mission-specific international personnel costing parameters for the 2006/07 period for Professional staff and above and Field Service staff.

### Recommendations on posts

19. *Establishment of one national post of Webmaster/Public Information Office Assistant (component 1, substantive civilian)*, who will maintain the Mission's website after it is transferred from a Web service provider to the Mission's premises. **The Advisory Committee points out that maintenance of the Mission's website is an important function of the Public Information Office, for which capacity should be established through the reprioritization of the activities of the Office and the internal redeployment of posts.**

20. *Establishment of one P-5 post and one General Service national post for a Conduct and Discipline Team (component 4, support)*. As indicated in the budget submission, these posts represent temporary positions to be funded from general temporary assistance. The Advisory Committee notes that these posts are included in the staffing table of the Mission and are proposed for the entire 2006/07 financial period. **It is the Advisory Committee's view therefore that the related cost should be reflected as posts rather than general temporary assistance. This is a new function and the Committee comments on it further in its general report. While it does not object to the proposed resource requirements for the Conduct and Discipline Team in UNOMIG, the Committee expects that these resources will be used for the intended purpose only and in full compliance with resolution 59/296 (section XIV, para. 4 (d)), in which the General Assembly requests the Secretary-General to take into account, inter alia, full justification of resource requirements, both at Headquarters and in the field, taking into account the specificities of each mission and based on empirical data on the number of allegations and cases of sexual exploitation and abuse. Any savings that may arise in the context of addressing this provision of resolution 59/296 should be reflected in the performance report, which should include specific data on workload of Conduct and Discipline Teams.**

21. *Decrease of a P-3 international post of Aviation Safety Officer (component 4, support)*. As indicated in the budget submission, this proposal results from the transfer of the P-3 post for the establishment of a Regional Aviation Safety Office at the United Nations Logistics Base. **The Advisory Committee has no objection to the proposal.**

22. *Conversion of two international General Service posts and one United Nations Volunteers post to three national General Service posts (component 4, support)*. **The Advisory Committee welcomes the proposed conversion, as it reflects previously expressed views of the Committee, and recommends approval of the conversion.**

### 3. Operational costs

<i>Approved 2005/06</i>	<i>Proposed 2006/07</i>	<i>Variance</i>
\$13 204 300	\$10 942 800	(\$2 261 500)

23. The most significant factors contributing to the total decrease of \$2,261,500 in requirements for operational costs are as follows:

- A decrease of \$811,400 under communications owing to the acquisition of only replacement items of communications equipment and the reduction of transponder charges following discontinued use of three satellite carriers which were replaced with local lines and microwave links
- A decrease of \$559,200 under facilities and infrastructure owing mainly to the reduced requirements for security services, for the acquisition of prefabricated facilities and firefighting equipment, for repair of roads and bridges and for the purchase of petrol, oil and lubricants
- A decrease of \$373,300 under ground transportation owing to the replacement of less expensive types of vehicles (21 light and 3 medium vehicles to be replaced, as compared with 14 vehicles, including 6 armoured vehicles and 1 recovery vehicle, planned for replacement in 2005/06, the current period)
- A decrease of \$257,000 under air transportation owing mainly to greater reliance on ground patrols and the decommissioning of one MI-8T helicopter
- A decrease of \$164,500 under information technology owing mainly to the acquisition and replacement of less computer equipment, as compared with the current period.

24. The total estimated requirements of \$10,942,800 for operational costs include a provision of \$226,200 under general temporary assistance for the establishment of the Conduct and Discipline Team (see para. 20 above).

25. The Advisory Committee notes that a provision of \$128,400 is made for the acquisition of stationery and office supplies, which reflects an increase of \$8,400, or 7.0 per cent, compared with the 2005/06 financial period. The Committee was informed that the increase in requirements is attributable to the higher average proposed number of the Mission personnel. **The Advisory Committee is of the view, in this connection, that the proposed increase in the average overall number in Mission personnel from 462 to 464 does not appear to warrant the proposed increase in the projected cost of stationery and office supplies. The Committee does not recommend the proposed increase of \$8,400.**

26. A sharp increase in resource requirements is proposed for maintenance services of facilities and infrastructure: \$117,700, compared to \$74,800 for the 2005/06 period, that is, an increase of \$42,900 or 57.4 per cent. The Advisory Committee notes from the supplementary information that the increase is attributable to an increase in market price of qualified labour (generator mechanics and maintenance casual labour) as well as to the provision of \$20,000 for maintenance services for additional office space (additional space adjacent to the existing Tbilisi office, a new conference room in the Gali sector and office accommodation for the Conduct and Discipline Team). However, the Committee notes from paragraph 13 of the budget document (A/60/652) that the salary scales for local staff increased by an average of 13 per cent effective 1 October 2005. Moreover, the Committee is of the view that the need for additional office space does not appear to be supported by the changes in the proposed staffing structure of the Mission, which provide for a reduction of two international staff and one United Nations Volunteer offset by an increase of five local staff, as well as by the high vacancy rate in the Mission (see para. 11 above). **The Advisory Committee is not convinced that the proposed rate of growth of 57.4 per cent for maintenance services is fully justified. The Committee does not therefore recommend the proposed increase of \$42,900.**

27. The Advisory Committee was informed during the hearings that the Mission intended to reassess the flight schedules to Turkey with a view to increasing the number of flights to Trabzon, with the corresponding reduction of flights to Istanbul. Should this be feasible, the Mission could potentially realize savings through lower utilization of flight hours, reduced fuel costs and lower subsistence allowance payable to the aircrew for layovers in Istanbul. **The Advisory Committee encourages the Mission to rationalize its flight schedules as expeditiously as possible and trusts that savings resulting from the reconfiguration of the flight schedules will be identified and reflected in the next performance report for the Mission.**

## V. Conclusions of the Advisory Committee

28. The actions to be taken by the General Assembly are set out in paragraph 19 of the performance report on the budget of UNOMIG for the period from 1 July 2004 to 30 June 2005 (A/60/643) and paragraph 23 of the budget for UNOMIG for the period from 1 July 2006 to 30 June 2007 (A/60/652). **The Advisory Committee recommends that the unencumbered balance of \$855,100, as well as other income and adjustments in the amount of \$999,800, be credited to the Member States in a manner to be determined by the General Assembly.**

29. **Taking into account its comments in the foregoing paragraphs, the Advisory Committee recommends that the General Assembly appropriate the amount of \$33,616,100 for the maintenance of the Mission for the 12-month period from 1 July 2006 to 30 June 2007.**

### *Documentation*

- Performance report on the budget of the United Nations Observer Mission in Georgia for the period from 1 July 2004 to 30 June 2005 (A/60/643)
- Budget for the United Nations Observer Mission in Georgia for the period from 1 July 2006 to 30 June 2007 (A/60/652)
- Reports of the Secretary-General to the Security Council on the situation in Abkhazia, Georgia (S/2005/657, S/2006/19 and S/2006/173)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2003 to 30 June 2004 and proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Observer Mission in Georgia (A/59/736/Add.7)
- Security Council resolutions 937 (1994), 1462 (2003), 1494 (2003), 1524 (2004), 1554 (2004), 1582 (2005), 1615 (2005), 1656 (2006) and 1666 (2006)
- General Assembly resolutions 58/303 and 59/304 on the financing of the United Nations Observer Mission in Georgia

## Annex

## Actual expenditures for the period from 1 July 2005 to 30 June 2006 for UNOMIG

(Thousands of United States dollars)

<i>Category</i>	<i>Apportionment</i>	<i>Expenditures as at 28 February 2006</i>
<b>Military and police personnel</b>		
Military observers	3 619.0	2 366.1
Military contingents	64.3	64.3
Civilian police	485.1	206.0
Formed police units	—	—
<b>Subtotal</b>	<b>4 168.4</b>	<b>2 636.4</b>
<b>Civilian personnel</b>		
International staff	14 433.9	9 616.1
National staff	2 610.4	1 859.2
United Nations Volunteers	79.8	22.3
<b>Subtotal</b>	<b>17 124.1</b>	<b>11 497.6</b>
<b>Operational costs</b>		
General temporary assistance	34.2	17.0
Government-provided personnel	—	—
Civilian electoral observers	—	—
Consultants	—	—
Official travel	649.4	291.3
Facilities and infrastructure	3 185.9	1 909.4
Ground transportation	1 807.6	586.6
Air transportation	3 160.1	2 034.1
Naval transportation	—	—
Communications	2 441.9	1 205.9
Information technology	1 150.1	851.0
Medical	117.8	129.0
Special equipment	6.2	—
Other supplies, services and equipment	716.4	408.4
Quick-impact projects	—	—
<b>Subtotal</b>	<b>13 269.6</b>	<b>7 432.7</b>
<b>Gross requirements</b>	<b>34 562.1</b>	<b>21 566.7</b>
Staff assessment income	2 254.0	1 520.8
<b>Net requirements</b>	<b>32 308.1</b>	<b>20 045.9</b>
Voluntary contributions in kind (budgeted)	—	—
<b>Total requirements</b>	<b>34 562.1</b>	<b>21 566.7</b>