



United Nations

Financial report and audited financial statements

**for the 12-month period
from 1 July 2020 to 30 June 2021**

and

Report of the Board of Auditors

Volume II

United Nations peacekeeping operations

General Assembly

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Report of the Board of Auditors

**Volume II
United Nations peacekeeping operations**



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Note

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

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Abbreviations

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

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

Letters of transmittal

Letter dated 30 September 2021 from the Secretary-General addressed to the Chair of the Board of Auditors

In accordance with financial regulation 6.2, I have the honour to submit the financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 2020 to 30 June 2021, which I hereby approve. The financial statements have been certified by the Controller as correct in all material respects.

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

(Signed) António **Guterres**

Letter dated 30 September 2021 from the Acting Director, Finance Division, Office of Programme Planning, Finance and Budget, addressed to the Executive Secretary of the Board of Auditors

This is to transmit to the Board of Auditors a complete set of the United Nations peacekeeping financial statements (statements I, II, III, IV and V) for the period 1 July 2020 to 30 June 2021, including notes to the financial statements.

(Signed) Unis Valencia **Williams-Baker**

**Letter dated 27 January 2022 from the Chair of the Board of
Auditors addressed to the President of the General Assembly**

I have the honour to transmit to you the report of the Board of Auditors, together with the financial report and the audited financial statements of the United Nations peacekeeping operations for the financial period ended 30 June 2021.

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

Chapter I

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

Opinion

We have audited the financial statements of the United Nations peacekeeping operations, which comprise the statement of financial position (statement I) as at 30 June 2021, and the statement of financial performance (statement II), the statement of changes in net assets (statement III), the statement of cash flows (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2021 and their financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS).

Basis for opinion

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

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

The Secretary-General is responsible for the other information, which comprises the financial report for the year ended 30 June 2021, contained in chapter IV below, but does not include the financial statements and our auditor’s report thereon.

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

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

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

The Secretary-General is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as the Secretary-General determines to be necessary to enable the preparation of

financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

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

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

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

(Signed) Hou Kai
Auditor General of the People's Republic of China

27 January 2022

Chapter II

Long-form report of the Board of Auditors

Summary

Audit opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2021, and their financial performance and cash flows for the year then ended in accordance with IPSAS.

Audit focus

In addition to the audit of the financial statements of the United Nations peacekeeping operations, the Board has focused its audit on recommendations of previous reports still to be implemented, UNAMID drawdown and liquidation, the Mine Action Service and supply chain management. It provides an outlook on areas that it considers important for peacekeeping operations in the near future.

Scope of the present report

United Nations peacekeeping operations are deployed on the basis of Security Council mandates to maintain international peace and security. As at 30 June 2021, there were 12 active United Nations peacekeeping missions, with 118 countries contributing 67,690 military personnel and 79 countries contributing 7,428 police personnel. In addition, there were 10,477 civilian staff and 1,318 United Nations Volunteers.

The peacekeeping budget for the financial year 2020/21 was \$6.82 billion, representing no change compared with the previous year's budget. The audit included the peacekeeping headquarters, the 12 active and 34 closed missions and the six special-purpose accounts, namely, the Peacekeeping Reserve Fund; the support account for peacekeeping operations; UNLB, including GSC; RSCE; the peacekeeping cost-recovery fund; and the employee benefits fund.

Key findings

Recommendations of previous years still to be implemented

The General Assembly, in its resolutions [72/8 B](#), [73/268 B](#), [74/249 B](#) and [75/242 B](#), requested the Secretary-General to ensure the full implementation of the recommendations of the Board of Auditors in a prompt and timely manner. The Board again addressed several of the recommendations of previous years still to be implemented in the main part of the report to show the Administration's progress in that regard.

Mine Action Service

Following the recommendations of the Board in its prior report ([A/75/5 \(Vol. II\)](#), paras. 162–178), the Administration decided to have the post of Chief, Mine Action Programme at the missions filled by Secretariat staff and not UNOPS staff. The Board noted that the modified organizational set-up needed to be reflected in the financial agreements with UNOPS. With regard to the role of the Chiefs of the Mine Action Programme within the Mine Action Service organizational structure, the Administration drafted an internal responsibilities matrix. To date, the matrix has been focused on mine action projects implemented by UNOPS staff. The Board holds

that it should also outline responsibilities for cases in which the Mine Action Service implements mine action activities itself, for example, by directly administering third-party agreements.

With regard to mine action project assets, the Board found that certain assets should, in general, be provided by the mission, be excluded from the financial agreements with UNOPS and not be subject to the management fee surcharge of 8.15 per cent. The procurement of project assets through UNOPS should be the last option and an exception needing justification. Moreover, the Secretariat and UNOPS were negotiating a new memorandum of understanding at the time of the drafting of the present report. It should contain detailed provisions on periodic asset reporting by UNOPS, and the Chiefs of the Mine Action Programme at the missions should have oversight over their missions' Mine Action Service project assets, receive periodic reporting on assets and have the right to assess their value and to inspect them.

UNAMID liquidation

The Security Council decided to terminate the mandate of UNAMID as of 31 December 2020.

As at 1 January 2021, UNAMID therefore ceased to exist as a peacekeeping operation and an organizational entity. The former Director of Mission Support of UNAMID was the most senior staff member on the ground. He took decisions, notably with regard to staff separation that would have required authorities as head of entity, which had not been delegated to him.

The Director of Mission Support decided that staff should carry out their duties outside the mission host country in order to contain the spread of the coronavirus disease (COVID-19). While this is understandable, the Director of Mission Support decided to continue to award danger pay, even though the relevant staff were no longer in the mission host country.

Senior staff once again left the mission prematurely, although the Board recommended in previous reports that the Administration see to it that senior staff stay to finalize outstanding tasks. Even though the General Assembly endorsed the Board's relevant recommendations, the Administration stated that these could not be implemented and that there was no mechanism in place to prevent staff from accepting jobs elsewhere in the Organization or outside of the Organization. The Board holds that the Administration should not question Assembly resolutions but rather find ways to implement them.

UNAMID staff separation was not based on the established principle of a comparative review process, but rather on non-transparent criteria. Former UNAMID staff members, especially those who held continuing appointments, contested the termination of their appointment. They claimed that the United Nations was obliged to find another post for them anywhere within the United Nations system when the mandate of a mission where they were employed ended in accordance with the relevant Security Council resolution. The Secretariat took the same view and informed the Board that it needed to honour continuing appointments and that these only expired at the regular retirement age. It would have been impossible to find other posts for them because there would not be enough vacancies. The Administration therefore agreed to pay, without individual scrutiny, maximum enhanced termination indemnity to staff members who would leave the United Nations, provided they would not contest the separation decision.

In so doing, the Administration treated staff members with a continuing appointment largely as if they had a permanent appointment until reaching retirement age. This is contrary to General Assembly resolution [63/250](#) on human resources management. Continuing appointments were specifically introduced to allow for termination in view of the changing needs, functions and mandates of the United Nations.

Supply chain management

The Board noted deficiencies in peacekeeping supply chain management. Missions did not determine stock levels, insufficiently declared surplus stocks, displayed ageing stock and acquired new materials, although the items showed low consumption and were in stock in sufficient quantities. The case of UNAMID highlighted that the disposal of excess property, plant and equipment and inventory holdings at the end of a mission's life cycle poses severe financial risks. Various centralized measures, such as the clearinghouse function at UNLB or the tracking of key performance indicators at Headquarters, were established. The Board is of the view that these measures remained ineffective in part, making improvements necessary.

Recommendations

The main recommendations are that the Administration:

Mine Action Service

(a) **Define, in the financial agreements with UNOPS, the hierarchies and reporting lines between UNOPS and the Chiefs of the Mine Action Programme at the missions and expand the Secretariat's internal responsibilities matrix to cover cases in which the Mine Action Service implements mine action activities without UNOPS;**

(b) **Determine which categories of assets the missions shall provide to UNOPS for mine action projects and exclude them from financial agreements with UNOPS, include provisions on periodic asset reporting by UNOPS that facilitates IPSAS financial reporting in the new memorandum of understanding, and integrate the Chiefs of the Mine Action Programme into the oversight and management of project assets;**

UNAMID liquidation

(c) **Ensure that the delegation of authority to any Officers-in-Charge is visible in the delegation of authority portal, and define and codify the delegation of authority for administrative decisions regarding the management of resources, including human resources, for all drawdown and liquidation activities after the Security Council mandate of a mission has ended;**

(d) **Promulgate a human resources downsizing policy for drawdown and liquidation;**

(e) **Ensure compliance with the Staff Regulations and Rules of the United Nations to avoid unjustified indemnity payments after comprehensive placement efforts;**

(f) **Pay enhanced indemnity only after considering each case individually;**

Supply chain management

(g) **Establish a centralized analysing and enforcing function to perform cross-cutting analyses of missions' and services centres' property, plant and equipment and inventory holdings to achieve economies of scale; to identify potential surplus holdings and initiate corrective action; to ensure continuing management of asset disposal; and to eliminate disadvantages for missions and services centres such as bearing transport costs when sharing surplus assets.**

Key facts

12	Number of active peacekeeping missions
1,318	Number of United Nations Volunteers in peacekeeping missions
10,477	Number of civilian staff engaged in peacekeeping missions
79	Number of countries contributing police personnel
7,428	Number of police personnel engaged in peacekeeping missions
118	Number of countries contributing military personnel
67,690	Number of military personnel engaged in peacekeeping missions
\$4.90 billion	Assets
\$4.50 billion	Liabilities
\$0.39 billion	Net assets
\$7.21 billion	Revenue, including assessed contributions of \$6.80 billion
\$6.82 billion	Approved budget for peacekeeping
\$6.61 billion	Expenditure on peacekeeping operations (budget basis)
\$0.21 billion	Unutilized budget

A. Mandate, scope and methodology

1. The Board of Auditors audited the financial statements and reviewed the activities of the United Nations peacekeeping operations for the financial period from 1 July 2020 to 30 June 2021 in accordance with General Assembly resolution [74 \(I\)](#) of 1946. The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the International Standards on Auditing.

2. In June 2020, the Administration advised the Board to consider conducting its 2019/20 audits remotely in view of COVID-19 and in line with the Organization's overall guidance on physical distancing and risk management. The Board took into consideration the advice and conducted the 2019/20 audit remotely without any physical visit, which had a severe effect on the audits. For the 2020/21 audits, the pandemic allowed the Board to audit peacekeeping operations at Headquarters in New York and at GSC in Brindisi, Italy. It audited MINUSMA, MONUSCO, the UNAMID liquidation, UNMISS and RSCE from GSC remotely. The other missions were also audited remotely, but not from a United Nations entity location owing to the pandemic.

3. The financial statements of the United Nations peacekeeping operations for the year ended 30 June 2021 are the eighth set of statements prepared after the adoption of IPSAS. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements fairly present the financial position of the United Nations peacekeeping operations as at 30 June 2021 and the financial performance and cash flows for the year then ended in accordance with IPSAS. This included an assessment of whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the governing bodies and

whether the revenue and expenses had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations. The audit included a general review of financial systems and internal controls and an examination of the accounting records and other supporting evidence to the extent considered necessary to form an opinion on the financial statements.

4. Pursuant to paragraph 6 of General Assembly resolution [47/211](#), the Board continued its audit coverage of peacekeeping headquarters, the 12 active field missions, the 34 closed missions and the six special-purpose accounts, namely, the Peacekeeping Reserve Fund; the support account for peacekeeping operations; UNLB, including GSC; RSCE; the peacekeeping cost recovery fund; and the employee benefits funds, as detailed in annex I to chapter II of the present report.

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

6. The Board continued to report the results of audits to the Administration through management letters. The Board issued 13 management letters during the period under review.¹

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

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

B. Main findings and recommendations

1. General remarks

9. The Administration had to implement 89 recommendations of previous reports that the General Assembly had endorsed. It implemented 53 recommendations, 22 remain under implementation and 9 were not implemented. The Board assesses 5 recommendations as having been overtaken by events. The follow-up to the recommendations during the previous five years is shown in annex II to the present chapter.

10. The COVID-19 pandemic continued to affect both the Administration and the Board and complicated the audits, as in the previous year. The pandemic and the relevant countermeasures posed a significant challenge, especially for the missions. Nevertheless, compared with previous years, the Board recognized greater efforts by the Administration to implement recommendations and provide supporting documents for the Board's assessment of their implementation status.

11. It is stipulated in Secretary-General's bulletin [ST/SGB/2011/3](#) that the Management Committee shall ensure that findings and recommendations of the Board of Auditors, the Joint Inspection Unit and OIOS are effectively fed into the executive management processes, and that accepted recommendations are followed up and implemented in a timely manner.

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

12. It was the first time in six years that, on the basis of a decision of the Management Committee, the Under-Secretary-General for Management Strategy, Policy and Compliance released an inter-office memorandum to heads of entity requesting them to provide all comments and supporting documents that the Board might need to be able to assess the implementation status of the open recommendations. The Board acknowledged that memorandum and observed a higher responsiveness on the part of the Administration than in previous years, which contributed considerably to the high number of implemented recommendations. It is of the view that the Management Committee should maintain this clear and effective approach for future audits.

2. Recommendations of previous audit reports without any progress in implementation

13. The General Assembly, in its resolutions [71/261 B](#), [72/8 B](#), [73/268 B](#), [74/249 B](#) and [75/242 B](#), requested the Secretary-General to ensure the full implementation of the recommendations of the Board in a prompt and timely manner. The Advisory Committee on Administrative and Budgetary Questions reiterated in its report ([A/74/806](#)) that every effort should be made to improve the rate and timeliness of the implementation of the recommendations of the Board.

14. The Board acknowledges that the Administration implemented 53 of 89 recommendations contained in previous reports. It is of the view that the Administration could have put more effort in implementing some of the outstanding recommendations. The Board again addresses some of the recommendations that were not implemented, as discussed below.

No progress made in three years regarding workplans and reviews of objectives, processes and staff requirements of integrated operational teams

15. In 2010, the Secretary-General stated that the integrated operational teams were responsible for providing integrated operational and political guidance and support to field missions on day-to-day mission-specific issues that cut across more than one area of expertise, and for coordinating the mission-specific reporting obligations of the Secretary-General to the Security Council. Integrated operational teams also functioned as an important point of contact for troop- and police-contributing countries ([A/65/669](#), para. 5). Integrated operational teams under the management of the then Office of Operations had emerged as a principal integrating mechanism between the two departments in support of peacekeeping missions. The integrated operational teams, and the integrated operational teams concept itself, had taken root as an essential mechanism for delivering integrated strategic and operational guidance to field missions and as a key interface with intergovernmental bodies, troop- and police-contributing countries and Member States on cross-cutting, mission-specific plans and issues (*ibid.*, para. 33).

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

17. In 2019, the Secretary-General set the target date for implementation of the recommendation contained in paragraph 183 of [A/73/5 \(Vol. II\)](#) to the second quarter of 2019 ([A/73/750](#), para. 48) and, in 2020, set the target date for implementation to the third quarter of 2020 ([A/74/709](#), para. 203). In 2019, he set the target date for implementation of the recommendation contained in paragraph 185 of [A/73/5 \(Vol. II\)](#) to the fourth quarter of 2019 ([A/73/750](#), para. 50) and, in 2020, to the fourth quarter of

2020 ([A/74/709](#), para. 205). In 2020, the Administration stated that the implementation of both recommendations would be prioritized in 2021 but did not supply any further information. In its most recent comments, the Administration claimed to have initiated a management review of the objectives, processes and staff requirements of integrated operational teams, which would be supported by a senior consultant, responsible for leading a comprehensive desk review and consultations with relevant interlocutors at Headquarters and field missions. The deliverables would include a report with findings and key recommendations, as well as departmental guidance clarifying the objectives, processes and staff requirements of integrated operational teams, consistent with the review's recommendations. The Administration set June 2022 as the revised target date for implementation of the Board's recommendations.

18. The Board stresses that the integrated operational teams are obliged to prepare and implement workplans in accordance with the administrative instruction on the Performance Management and Development System ([ST/AI/2010/5](#), para. 6.1). However, there is no formal policy on integrated operational teams, nor is there codification of responsibilities. The Secretary-General's report from 2010 is the only documentation on the integrated operational teams' work ([A/65/669](#)). In the meantime, the Secretary-General has implemented fundamental reforms of such a fundamental nature that it is impossible for them not to have affected the integrated operational teams. They are at the centre of mandate implementation issues and should be the interface between the Department of Peace Operations and the Department of Operational Support when defining and maintaining logistical support based on the decisions on how the mission's mandate is implemented. The Administration has not even begun to implement the Board's recommendations, making any assessment of the integrated operational teams' work and staffing needs impossible.

No progress in implementing the force generation process in Umoja for three years

19. In his twelfth and final progress report on the enterprise resource planning project, the Secretary-General reported that Umoja brought together resource and programmatic information for better results-based management. Umoja now offered the capability to capture programme and project planning, budgeting, programme monitoring and performance information and a robust reporting tool for better internal management and greater transparency for Member States and other stakeholders ([A/75/386](#), para. 107). The Secretary-General had identified enterprise risk management as a critical organizational management principle aimed at identifying potential events or risks that may affect the normal functioning of the Secretariat and hinder the achievement of its objectives.²

20. In 2019, the Board recommended that the Administration implement the force generation process in Umoja ([A/73/5 \(Vol. II\)](#), para. 153). The Secretary-General stated that the Department of Operational Support had noted that its role in the force generation process would be to provide information on the elements related to memorandums of understanding and reimbursement issues. Furthermore, considering that this was a multilayered process, with many partners involved, the Administration would establish a working group comprising representatives of the relevant departments and the Umoja team. The Secretary-General did not specify a target date for the implementation of the recommendation ([A/73/750](#), para. 41). In 2020, the Secretary-General stated that the Department of Peace Operations and the Department of Operational Support had initiated a working group to undertake a review and develop a concept note for the implementation of the recommendation. The Secretary-General did not set a target date for the implementation of the recommendation

² United Nations, Department of Management Strategy, Policy and Compliance, "The accountability system of the United Nations Secretariat" (November 2021), para. 38 (a).

(A/74/709, paras. 197–198). In 2021, the Secretary-General stated that a solution had been delivered and was on track to be deployed at Headquarters and in peacekeeping and special political missions. This complemented the previously deployed functionality for Statements of Unit Requirements and memorandums of understanding, enhancements to contingent-owned equipment inspection and verification reporting, and the calculation and claim functionality for contingent-owned equipment and ad hoc reimbursements. He set the implementation to the fourth quarter of 2021 (A/75/793, paras. 118–119).

21. In its most recent comment, the Administration stated that an interdepartmental working group had been established and that work was in progress to determine the appropriate scope and requirements for this complex project. The force generation process was conducted under existing United Nations guidelines, standard operating procedures and the manual on force/police generation, which ensured the transparency of the contributing country selection process. All required documents, such as Statements of Unit Requirements, notes of selection of units, notes verbales to invite countries to deploy units and memorandums of understanding, were available and accessible for the parties concerned. Units for peacekeeping operations were selected from among Member States' units registered in the Peacekeeping Capability Readiness System, which was a web-based system administered by the Administration to register and maintain capability pledges for United Nations peacekeeping. Currently, the Peacekeeping Capability Readiness System was the sole mechanism for the selection of a military or police unit for deployment. Implementing the force generation process in Umoja would require incorporating the Peacekeeping Capability Readiness System into Umoja, the feasibility of which was to be explored. The Administration's stated deadline to complete the project by December 2023 was, at that stage, indicative and would be further specified as the scope and requirements were defined.

22. The Board assesses that implementation of vital parts of the force generation process, such as troop-contributing country selection, have still not been implemented in Umoja. It stresses that Umoja is an enterprise resource planning system that implements United Nations administrative and, with Umoja Extension 2, programmatic processes and administers resources. According to the missions' budgets, troops are the biggest peacekeeping resource but are still not administered entirely by Umoja. The force generation manual,³ which defines the force generation process with troop selection in detail, has finally been released as a prerequisite to implementing the force generation process in Umoja. Its statements notwithstanding, the Administration has not implemented essential parts of the force generation process in Umoja, such as the selection of troop-contributing countries and equipment.

Still no guideline to include liquidated damages in unmanned aircraft systems contracts as a standard

23. The Board recommended that the Administration include standard provisions, such as liquidated damages, in unmanned aircraft systems contracts and waive claims related to unmanned aircraft systems, such as liquidated damages, only after officially recorded considerations and authorization by an Assistant Secretary-General (A/75/5 (Vol. II), paras. 154–155).

24. The Administration did not accept the recommendations. The Secretary-General stated in his report that the Administration had noted that the determination as to when

³ "United Nations manual for the generation and deployment of military and formed police units to peace operations". Available at [https://pcrs.un.org/Lists/Resources/04-%20Force%20and%20Police%20Generation%20Process/Force%20Generation%20Documents%20\(Military\)/2021.05%20Manual%20for%20Generation%20and%20Deployment%20of%20MIL%20and%20FPU.pdf](https://pcrs.un.org/Lists/Resources/04-%20Force%20and%20Police%20Generation%20Process/Force%20Generation%20Documents%20(Military)/2021.05%20Manual%20for%20Generation%20and%20Deployment%20of%20MIL%20and%20FPU.pdf).

and how to use the provisions for liquidated damages and/or other types of cost-recovery mechanisms in United Nations contracts was complex, and such clauses were not appropriate for all contracts. The inclusion of liquidated damages and/or other types of cost-recovery provisions in any given contract depended on the nature of each transaction and the specific facts and requirements of the Organization. Accordingly, the use of liquidated damages and/or other types of cost-recovery provisions in United Nations contracts should be considered carefully, and any questions about such provisions should be referred to the Office of Legal Affairs for appropriate legal advice ([A/75/793](#), para. 25).

25. The Secretary-General stated that the decision on claims related to unmanned aircraft systems contracts, including those relating to liquidated damages, should be based on an appropriate legal review. He also stated that the application of provisions for liquidated damages in contracts was discretionary, by virtue of the nature of such provisions and the long-standing practice of the United Nations in that regard. Taking into account the numerous contracts that the Administration concludes and manages on an annual basis, it would not be practicable to have to seek a waiver of a discretionary remedy from a United Nations official at the level of Assistant Secretary-General (*ibid.*, para. 27).

26. During the audit, the Administration merely repeated its statement from the report of the Secretary-General for not accepting the recommendations and provided a contract for unmanned aircraft systems services from 2018, which included liquidated damages.

27. In its most recent comments, the Administration stated that it disagreed with the recommendation regarding the need to include a specific provision for liquidated damages in all unmanned aircraft systems contracts to impose additional financial liabilities on a contractor with respect to the contractor's failure to meet its contractual obligations. It also stated that a contractor did not normally accept the imposition of liquidated damages without asserting what the contractor believes are mitigating circumstances. The Administration did not consider any changes to its previous approach to contracting and liquidated damages enforcement.

28. The Secretary-General has not met the request of the General Assembly to implement the recommendations. The Board has not recognized any implementation progress since it issued the recommendations in [A/75/5 \(Vol. II\)](#). The recommendations are aimed at all future contracts for unmanned aircraft systems contracts to avoid similar cases as happened in 2019/20 when a mission could not use its unmanned aircraft systems to protect civilians and its own troops, even though a contract had been concluded ([A/75/5 \(Vol. II\)](#), para. 147). The contractual pressure has simply not been sufficient to compel the company to meet its contractual obligations. The Board will assess the recommendations as implemented when the Administration ensures comprehensive and careful analysis of whether to include a liquidated damages clause or any such clause before it concludes any further unmanned aircraft systems contract. In case the Administration waives this clause, it needs to officially record the reasons. The waiver might have a severe financial and operational impact. For this, a senior manager ranked at least at the level of Assistant Secretary-General should authorize any such decision.

3. Financial overview

29. The approved peacekeeping budget for the financial year 2020/21 was \$6.82 billion, representing an increase of \$0.01 billion compared with the previous year's budget of \$6.81 billion. Expenditure decreased by 1.5 per cent in 2020/21 to \$6.61 billion, from \$6.71 billion in 2019/20. An amount of \$0.21 billion was unutilized in 2020/21, compared with \$0.1 billion in 2019/20.

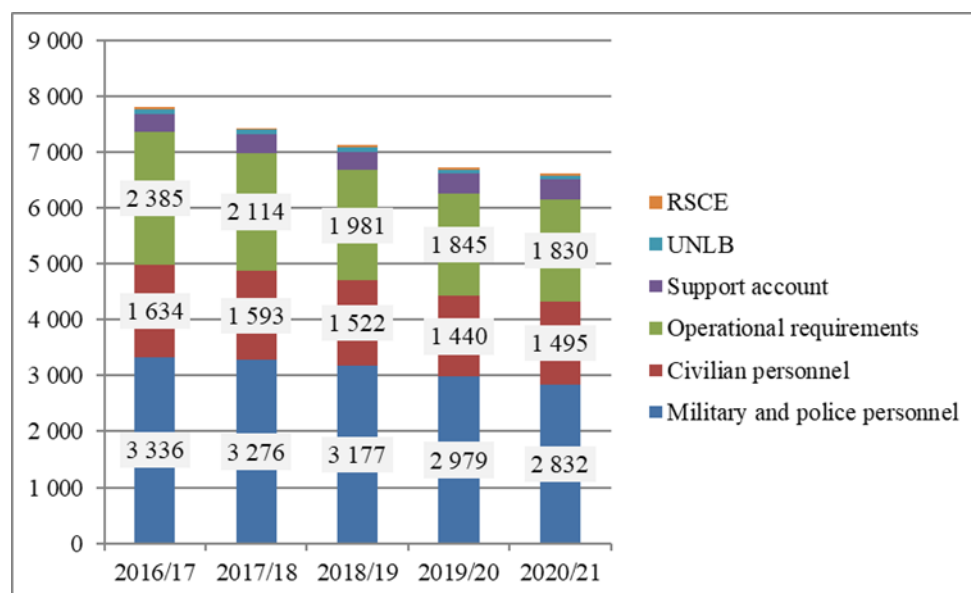
Trend of expenditure

30. The trend of expenditure is depicted in figure II.I. The details of the expenditure incurred under the three budget groups (military and police personnel, civilian personnel and operational requirements), the support account, UNLB, RSCE and voluntary contributions in kind during the five years ended 30 June 2021 are shown in table II.1.

Figure II.I

Trend of expenditure

(Millions of United States dollars)



Source: Financial statements of peacekeeping operations.

Table II.1

Expenditure of peacekeeping operations, by group

(Millions of United States dollars)

Group	2016/17	2017/18	2018/19	2019/20	2020/21
Military and police personnel	3 335.8	3 276.5	3 176.5	2 978.6	2 831.5
Civilian personnel	1 634.3	1 593.1	1 521.6	1 440.4	1 495.1
Operational requirements	2 384.5	2 114.5	1 980.7	1 844.9	1 829.9
Support account	327.1	325.8	324.7	348.9	355.5
UNLB	82.2	80.2	82.1	63.3	62.1
RSCE	36.3	32.8	31.4	35.4	36.3
Voluntary contributions in kind	1.0	0.9	0.8	0.7	0.6
Total	7 801.2	7 423.8	7 117.9	6 712.2	6 611.0

Source: Financial statements of peacekeeping operations.

Variances between appropriation and expenditure

31. Peacekeeping operations incurred expenditure of \$6.61 billion against the approved budget of \$6.82 billion, resulting in underexpenditure of \$0.21 billion. Underexpenditure increased compared with the previous financial year, when it

amounted to \$0.1 billion. Overall underexpenditure varied between 0.14 and 6.34 per cent at the 12 missions.

Budget redeployments

32. The total amount of budget redeployments for the financial year 2020/21 was \$163.03 million (2.4 per cent of the original budget). This is lower compared with financial year 2019/20, when redeployments amounted to \$196.57 million (2.9 per cent of the original budget) and with financial year 2018/19, when budget redeployments amounted to \$231.63 million (3.3 per cent of the original budget). Further details regarding the budget redeployments at the mission level are provided in annex II (Budgetary reporting by mission) to the financial statements (chap. V).

Financial position

33. The financial position varies between the different peacekeeping operations entities, especially concerning liquidity. While the cash ratio was above or close to 1 for several missions and support activities, it was close to zero for other missions as at 30 June 2021. The Administration stated that the recurring cash shortage in MINURSO and UNMIK persisted in 2020/21, and the liquidity of UNSOS was very low in June 2021. The three missions had to borrow from MINUSMA. The arrears of assessed contributions for peacekeeping operations increased to \$2.3 billion as at 30 June 2021. Further details are described below and reported by the Administration in chapter IV.

34. Overall, the assets-to-liabilities ratio decreased slightly, from 1.11 to 1.09. The current ratio and the quick ratio increased, owing mainly to lower accounts payable to Member States. According to the Administration, the decrease in those payables was feasible due to the cash pooling between active missions that the General Assembly had approved in its resolution 73/307. The cash ratio remains at a low level.

Table II.2
Capital structure ratios

<i>Ratios</i>	<i>30 June 2021</i>	<i>30 June 2020</i>	<i>30 June 2019</i>	<i>30 June 2018</i>	<i>30 June 2017</i>
<i>Asset position</i>					
Assets-to-liabilities ratio^a	1.09	1.11	1.07	1.19	1.19
Total assets: total liabilities					
Current ratio^b	1.38	1.25	1.27	1.23	1.22
Current assets: current liabilities					
<i>Liquidity position</i>					
Quick ratio^c	1.22	1.11	1.12	1.08	1.06
Cash + short-term investments + accounts receivable: current liabilities					
Cash ratio^d	0.47	0.47	0.49	0.45	0.66
Cash + short-term investments: current liabilities					

Source: Financial statements of peacekeeping operations.

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

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

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

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

Review of useful life of assets

35. The Board noted that the Administration was still working on a review of the estimates of the useful lives of assets in accordance with recommendations of the Board in that regard (see annex II to the present chapter) which was initially estimated to be finished in 2019/20. As a result, an adjustment of the net book values of assets and net assets is possible in the next financial year or after.

4. Budget and finance

Further improvements related to the statement on internal control

36. On 26 May 2021, the Secretary-General issued the first-ever statement on internal control.⁴ In the statement, the Secretary-General assured that the United Nations Secretariat operated under an effective system of internal control during the year 2020. The statement also contained descriptions of responsibilities and the internal control system in general and outlines of internal control issues identified. The statement is not part of the financial statements as reported in volumes I and II but rather a separate document for the entire Secretariat.

37. In order to prepare the statement on internal control, the Administration went through a phased exercise:

(a) First, the Internal Controls Section in the Financial Policy and Internal Control Service in the Office of Programme Planning, Finance and Budget developed risk control matrices on the basis of information and feedback provided by Secretariat entities and missions. In total, some 1,400 risks with corresponding controls were identified for 10 areas;⁵

(b) Between January and June 2020, all Secretariat entities and missions were tasked with reviewing the risk control matrices and assessing which risks and controls were relevant to the entity, naming risk owners, identifying control gaps and controls not listed and formulating remediation plans for the control gaps identified;

(c) Between December 2020 and February 2021, each Secretariat entity, including the peacekeeping missions, filled out self-assessment questionnaires developed by the Internal Controls Section to assess the existence and functioning of the internal controls at each entity. Those self-assessments formed the basis for the statement on internal control. The questionnaires covered entity-level and process-level controls in 16 areas. On the basis of the “yes” or “no” answers provided, the Section calculated a “maturity scale” for each area⁶ indicating the level of effectiveness of the relevant internal control environment.

38. The Board reviewed the risk control matrices and the self-assessments of the peacekeeping missions, service centres and related departments at Headquarters and noted the following:

(a) In some cases, missions omitted risks in the risk control matrices that applied to them. Furthermore, not all missions presented remediation plans for all gaps identified. One mission noted a lack of clarity with regard to who was in charge of carrying out the remediation plans and their applicability in the mission;

(b) The Internal Controls Section did not discuss the risk control matrices and the remediation plans formulated with regard to identified gaps with missions. In its

⁴ Available at https://reform.un.org/sites/reform.un.org/files/2107156e_sic_en.pdf.

⁵ Accounts receivable, accounts payable, budget management, cost recovery, facilities and fixed assets, financial accounting, human resources, logistics execution, procurement and treasury.

⁶ 80 to 100 per cent – strong; 60 to 79 per cent – adequate; 40 to 59 per cent – needs strengthening; and less than 40 per cent – weak.

review, the Board noted some areas in which multiple missions had shown a need for strengthening the same internal controls and in which missions unexpectedly provided divergent answers (e.g., one mission stated that a specific policy would exist, while another mission stated that it would not exist);

(c) The risk control matrices provided by the Internal Controls Section and assessed by the peacekeeping missions, service centres and related departments at Headquarters were exchanged through several Excel files;

(d) Some missions noted that the Internal Controls Section did not provide specific feedback after the self-assessment. In general, missions received limited feedback on the exercise from the Section;

(e) The self-assessment questionnaire allowed missions only to provide yes or no answers. Missions had no opportunity to comment or provide other explanations or remarks;

(f) Overall, the missions identified the majority of the controls as key controls. For example, one mission identified 73 per cent of the controls as key controls;

(g) The statement on internal control includes only “opportunities for improvement”, with an average maturity scale of less than 70 per cent over the entities in scope. To calculate the average, every entity was weighted the same, irrespective of its budget or other size criteria.

39. The Board appreciates the initiative of the Secretary-General to issue the statement on internal control and the progress made by the Secretariat. The Board acknowledges that the underlying process strengthens the control environment through the formalization of existing controls, identification of control gaps and establishment of remediation plans. In addition, attention is drawn to the importance of internal controls in general.

40. The Board is of the view that there is room for further improvement in the following areas:

(a) The role of the Internal Controls Section allows for cross-cutting verification, analysis and discussion of the risk control matrices and answers to the questionnaire provided that could achieve valuable input for the missions. For example, the Section could identify whether control owners were identified consistently across the missions, the service centres and Headquarter departments to ensure clear-cut responsibilities, whether there were major deviations in answers provided or whether remediation plans are appropriate;

(b) On the basis of such detailed analysis, the Internal Controls Section could provide more specific feedback to the missions. During its audit, the Board noted that missions, in general, welcomed more feedback by Headquarters on the exercise. Other formats, such as workshops with missions, services centres and Headquarters, would be beneficial to share experiences, foster a common understanding of the entire exercise and develop best practices. In addition, structured communications between missions, services centres and Headquarters could be beneficial to discuss differing control gaps and to identify appropriate and uniform remediation plans;

(c) To enhance the control environment in areas identified as problematic or ineffective, follow-up on how a mission implemented the measures and action formulated in the remediation plan is essential. After gaining some experience, best practice remediation plans could be circulated. Currently, the Internal Controls Section has been primarily organizing and coordinating the self-assessments. As a way forward, the internal control self-assessment could be part of a more comprehensive performance measurement system;

(d) An electronic platform that allows for comparison of risk control matrices could facilitate analysis. In addition, such a platform could also support the peacekeeping missions, service centres and related departments at Headquarters to identify divergent control gaps;

(e) Overall, the percentage of controls identified as key controls is rather high. The Administration should reassess which controls qualify as key controls;

(f) The calculation of the threshold to include opportunities for improvement in the statement on internal control should be a weighted average, for example, by budget. The criteria should be disclosed in the statement on internal control.

41. The Board recommends that the Administration perform cross-cutting analyses and workshops with missions to enhance feedback to missions and exchanges between missions, review the number of key controls in risk control matrices, calculate the overall average maturity scale on the basis of the weighted maturity scale of each entity (e.g., budget volume) in order to determine opportunities for improvement in the statement on internal control, and assess the introduction of an electronic platform.

42. The Administration accepted the recommendation.

5. Mine Action Service

43. In its previous report, the Board recommended that the Administration obtain an independent analysis of the partnership between the Mine Action Service and UNOPS. It also recommended that the Administration include stipulations in the new memorandum of understanding with UNOPS, which would require more transparency by UNOPS and better use of existing Secretariat resources (A/75/5 (Vol. II), paras. 175–176). Annex II to the present chapter provides further information on the implementation status of these recommendations. In its audit for the financial year 2020/21, the Board continued its audit of the Mine Action Service.

Administration of third-party contractors

44. The Mine Action Service engages UNOPS as an implementing partner for almost all mine action activities. According to the memorandum of understanding, Mine Action Service, in general, has to pay a management fee of 8.15 per cent to UNOPS. This adds a layer of overhead costs because UNOPS only hires third-party contractors. Mine Action Service heads in the field could administer a certain share of mine action activities themselves. This would require a requisitioning function for the Mine Action Service.

45. For the financial year 2020/21, the Mine Action Service provided UNOPS with funding of \$154.7 million for peacekeeping operations mine action activities, which were conducted mainly by third-party contractors. UNOPS paid \$51.1 million to the top three third-party contractors alone. The Board recalls that UNOPS charges a management fee of 8.15 per cent for contracting these third parties. This means that, for the top three contractors, UNOPS received management fees of \$4.2 million. By comparison, the support account expenditure for Mine Action Service Secretariat staff amounted to \$1.6 million in 2020/21.

46. The Board holds that it is more cost-effective if the Mine Action Service has its own requisitioning function. A requisitioning function would encompass the drafting of statements of work and evaluation criteria, the establishment of contracts, with support from the Procurement Division of the Department of Operational Support, and the management of third-party contracts, all without paying a management fee.

47. Given that there is an open recommendation on this matter (ibid., para. 175), the Board will not issue a separate recommendation in the present report. The Board is convinced that the Administration will take the above findings into account for its analysis.

Integration of Chiefs of the Mine Action Programme at missions

48. Following the recommendations of the Board (see *ibid.*, paras. 162–178), the Administration decided to have the post of Chief, Mine Action Programme at the missions filled by Secretariat staff and not UNOPS staff through a modality called “lift and shift”.⁷ The Administration stated that it would propose the establishment of general temporary assistance positions for the Chiefs of the Mine Action Programme⁸ for the eight missions concerned, with the 2022/23 budgets submitted to the General Assembly for approval. As an interim arrangement and on an exceptional basis, the Controller authorized the creation of the general temporary assistance positions for Chief, Mine Action Programme below the D-1 level until 30 June 2022. Accordingly, the most senior Mine Action Service staff members in the missions⁹ were no longer employed by UNOPS but by the Secretariat. The Administration drafted a matrix on the roles and responsibilities of the Mine Action Service, the new Chiefs of the Mine Action Programme and UNOPS. The revised organizational set-up should also be incorporated into the financial agreements with UNOPS (or other implementing partners in the future; see below), ensuring that the Chiefs of the Mine Action Programme have a strong role and the necessary authorization.

49. With regard to the role of the Chiefs of the Mine Action Programme within the Mine Action Service organizational structure, the Administration drafted an internal responsibilities matrix to define and delegate roles, responsibilities, key processes and corresponding responsibilities among the Chiefs of the Mine Action Programme and Mine Action Service Headquarters sections.

50. The Board noted that this responsibilities matrix is focused only on mine action projects implemented by UNOPS staff. The matrix should also outline responsibilities for cases in which the Mine Action Service implements mine action activities itself, for example, by directly administering third-party agreements. Without pre-empting the results of the independent analysis, the Board is of the view that this would be appropriate as a matter of preparation, for potential trial runs and in the light of the Board’s observations.

51. The Board recommends that the Administration define, in the financial agreements with UNOPS, the hierarchies and reporting lines between UNOPS and the Chiefs of the Mine Action Programme at the missions and expand the Secretariat’s internal responsibilities matrix to cover cases in which the Mine Action Service implements mine action activities without UNOPS.

52. The Administration accepted the recommendation. The Administration stated that it had indicated in recent financial agreements with UNOPS that the organizational structure would be revised and that it was starting to specify the role of Chiefs of the Mine Action Programme in financial agreements. The Administration noted that it would await the outcome of the independent analysis before considering directly implementing field projects.

⁷ All Chiefs of the Mine Action Programme below the D-1 level were “lifted and shifted” from UNOPS to the Secretariat at their current grade and level. The Secretariat issued letters of appointment to the incumbents. The procedure was approved by the Assistant Secretary-General for Human Resources on 22 April 2021.

⁸ Or Mine Action Adviser, depending on the size of the component. The proposed establishment of general temporary assistance positions for the eight missions will be submitted to the General Assembly for approval in the 2022/23 budgets. As an interim arrangement, the Controller authorized, on an exceptional basis, the creation of the seven general temporary assistance positions until 30 June 2022. The post of Chief, Mine Action Programme (D-1) in MINUSMA has not yet been established.

⁹ With the exception of MINUSMA, which is a post at the D-1 level.

Asset procurement, reporting, oversight and management

53. The Board recommended that UNOPS utilize existing Secretariat and peacekeeping mission contracts and structures, such as the Procurement Division and mission support structures, where feasible (*ibid.*). This means that peacekeeping missions among other things, needed to evaluate to what extent they should provide assets required for mine action projects to UNOPS. While article III and annex 2 of the current memorandum of understanding contain a provision in this regard, in practice UNOPS acquired most of its assets itself. The Board reiterates that all assets procured by UNOPS are subject to the management fee surcharge of 8.15 per cent and might not fit into existing mission support structures, for example, because UNOPS might use a different make of vehicles.

54. The Board is of the view that certain categories of assets typically in use in peacekeeping missions, for example, vehicles, fuel, engineering equipment and information and communications technology equipment, should, in general, be provided by the mission. Such assets should therefore be excluded from the financial agreements with UNOPS and not be subject to the management fee surcharge of 8.15 per cent. If the mission in question does not already hold the required assets, they should be acquired following the established priorities in peacekeeping operations. Priority should be given to resources from downsizing missions, followed by strategic deployment stocks, the United Nations reserve, other missions' surplus and external procurement supported by the Procurement Division. Procurement through UNOPS should be the last option and done on an exceptional basis.

55. To date, UNOPS has procured most assets used for mine action projects using Mine Action Service funding. These so-called project assets were not capitalized and not reported in the statement of financial position, neither by the peacekeeping operations nor by UNOPS. They were simply expensed independent of their value. The Administration argued that the assets were in sole custody of UNOPS, were used exclusively by UNOPS and that UNOPS had control of the assets. Accordingly, the Administration stated that the recognition criteria of IPSAS 17: Property, plant and equipment were not fulfilled on the Secretariat side.¹⁰

56. While UNOPS might have economic ownership of the project assets, which is relevant for IPSAS financial reporting, the peacekeeping operations retained legal ownership (A/75/5 (Vol. II), para. 165 (h)). To improve the information that the Mine Action Service has regarding the project assets, the new memorandum of understanding should contain detailed provisions for periodic asset reporting by UNOPS. This must include the requirement to provide all data necessary to allow IPSAS-compliant financial reporting once the assets are handed over to the Secretariat. Furthermore, to ensure that project assets are handed over eventually and to improve Mine Action Service stewardship over project assets, the new Chiefs of the Mine Action Programme should have oversight over their missions' Mine Action Service project assets, receive the periodic asset reporting and have the right to assess their value and to inspect them. Once these steps are implemented, the question of economic ownership and financial statement recognition should be reviewed.

57. The Board recommends that the Administration determine which categories of assets the missions shall provide to UNOPS for mine action projects and exclude them from financial agreements with UNOPS, include provisions on periodic asset reporting by UNOPS that facilitate IPSAS financial reporting in the new memorandum of understanding, and integrate the Chiefs of the Mine Action Programme into the oversight and management of project assets.

¹⁰ The question of capitalization in the UNOPS financial statements does not fall under the scope of the present report.

58. The Administration accepted the recommendation. However, the Administration noted that, starting with the financial year 2020/21, it had ensured compliance with article III of the existing memorandum of understanding when discussing the missions' mine action budget submission, and that UNOPS did not acquire any assets listed in annex 2 of the existing memorandum of understanding unless specifically requested by the mission.

59. The Board notes that the previous practice showed that too much leeway had been given to UNOPS to acquire assets, and also notes that the rules needed to be stricter, with certain assets to be acquired by missions and UNOPS procurement of specific assets being an exception that requires justification. The Administration stated that, with regard to the review of the question of economic ownership and financial statement recognition of projects assets, it did not expect to exercise control over project assets, nor did it intend to do so. The Board also notes that it had sent a questionnaire on determining economic ownership of project assets to the Administration but did not receive an answer.

Scope of mine action activities

60. The Administration relied on implementing partners for mine action activities more than for other programmatic activities. The description of the scope of activities of the Mine Action Service was scattered in various resolutions, reports and other documents. During its audits, the Board learned that mine action funds were sometimes used for activities in which it was not clear whether they fell under the scope of mine action. The Board is of the view that the Mine Action Service should specify in one central catalogue document which activities fall under its scope and are eligible for financing through mine action funds.

61. The Board recommends that the Administration specify in one central catalogue document which activities fall under the scope of the Mine Action Service.

62. The Administration did not accept the recommendation. It stated that the mission budgets clearly indicated the resource requirements for mine action. The Administration noted that it was stated in the budget guidelines of the Department of Management Strategy, Policy and Compliance that "only goods and services related to mine action activities should be budgeted" under the corresponding class. Moreover, the Administration stated that it, along with the Advisory Committee on Administrative and Budgetary Questions and the General Assembly, carefully reviewed budget submissions and that there was no question as to whether mission budgets included activities beyond the scope of mine action.

63. The Board stresses that the thrust of the recommendation is of a practical nature. In a decentralized organization, during the practical implementation of mine action activities, especially with the help of implementing partners, questions regarding the eligibility of specific action will arise. A central reference document with a catalogue of eligible activities would therefore be important for all stakeholders (staff at Headquarters, missions, UNOPS, implementing partners and anyone seeking clarity regarding the extent of mine action activities).

6. UNAMID liquidation

Director of Mission Support acted without head of entity authority

64. The Security Council decided to terminate the mandate of UNAMID as at 31 December 2020. It requested the Secretary-General to commence the drawdown of UNAMID personnel on 1 January 2021 and to complete the withdrawal of all uniformed and civilian UNAMID personnel by 30 June 2021, other than those required for the Mission's liquidation (resolution [2559 \(2020\)](#), paras. 1–2).

65. The UNAMID head of mission, the African Union-United Nations Joint Special Representative for Darfur, left office on 31 January 2021. The Secretary-General appointed an Assistant Secretary-General as Officer-in-Charge of UNAMID from 1 February to 30 June 2021. He stated that the appointment had been particularly important in the context of the wider facilitation of drawdown activities.¹¹ On 28 June 2021, the Officer-in-Charge addressed a letter to the UNAMID Director of Mission Support to “appoint him Officer-in-Charge of UNAMID on a temporary basis from 1 July 2021 until further notice”.¹²

66. It is stipulated in the UNAMID budget for the period from 1 July 2021 to 30 June 2022, adopted by the General Assembly on 7 July 2021 (resolution [75/251](#) C), that the Director of Mission Support heads the liquidation team and decides on its composition (i.e., appointment and replacement of staff up to the D-1 level) ([A/75/867](#), paras. 4 and 46). It is also stipulated therein that the Operation ceased its substantive activities effective 1 January 2021 (*ibid.*, para. 3).¹³ It is further stated in the budget that the UNAMID staffing complement during the 2021/22 period consists exclusively of the liquidation team, led by the Director of Mission Support as the most senior staff member on the ground (*ibid.*, para. 46).

67. According to the Secretary-General’s bulletin on the delegation of authority in the administration of the Staff Regulations and Rules and the Financial Regulation and Rules, all delegations of authority, including any limitations, are issued and managed through the delegation of authority portal ([ST/SGB/2019/2](#), para. 1.2). The delegation of authority portal showed that the African Union-United Nations Joint Special Representative for Darfur had subdelegated authority over human resources,¹⁴ property management, finance and budget and procurement to the Director of Mission Support for the period from 22 January 2020 to 30 June 2022. Those delegations were neither revoked nor suspended when the Director of Mission Support assumed the role of Officer-in-Charge.¹⁵ The delegation of authority portal shows that the Secretary-General had delegated authority to the former Officer-in-Charge as “head of entity” and “additional human resources delegation to head of entity” from 1 February until 30 June 2021.¹⁶ The delegation of authority portal did not indicate any “head of entity authority” for the period since 1 July 2021.¹⁷

68. The “head of entity” is defined in [ST/SGB/2019/2](#) as a head of a department or an office, including an office away from Headquarters; the head of a special political or peacekeeping mission; the head of a regional commission; a resident or regional

¹¹ Code cable by the Under-Secretaries-General for Operational Support and for Peace Operations to the African Union-United Nations Joint Special Representative for Darfur (undated).

¹² Letter dated 28 June 2021 from the Officer-in-Charge to the Director of Mission Support, copied to the Under-Secretaries-General for Operational Support, for Peace Operations and for Management Strategy, Policy and Compliance, among others.

¹³ The Operation finalized the oversight of remaining programmatic activities that had started in 2020 and could not be completed owing to the COVID-19 pandemic; it did not start new ones ([A/75/867](#), para. 65 and sect. V.A).

¹⁴ These authorities do not cover termination indemnity or separation packages, for which the head of an entity holds delegated authority (see [ST/SGB/2019/2](#), annex IV, chap. IX and the document entitled “Additional human resources delegation to head of entity”).

¹⁵ See the delegation of authority portal entries for the African Union-United Nations Joint Special Representative for Darfur, the Officer-in-Charge and the Director of Mission Support.

¹⁶ Umoja delegation of authority portal. “Additional human resources delegation to head of entity” of 19 March 2020 gives heads of entities additional authority regarding termination of appointments and offer/approval of separation packages.

¹⁷ The Under-Secretary-General for Operational Support is that authority’s First and Second Reporting Officer, in accordance with an email dated 16 August 2021 from the Director, Management and Programme Analysis, Department of Management Strategy, Policy and Compliance, to the Officer-in-Charge. See also administrative instruction on the Performance Management and Development System ([ST/AI/2021/4](#), sect. 5).

coordinator; or the head of any other unit tasked with programmed activities. This is a legal definition of a term that is used frequently in all sections of [ST/SGB/2019/2](#) and central to understanding the provisions of delegated authority. “Heads of entity” is the single most often used fixed term in the entire document.¹⁸

69. The mandate of UNAMID was terminated on 31 December 2020. Since 1 January 2021, there has been no UNAMID entity, nor any other entity conducting programmed activities.¹⁹ The budget (and thus the General Assembly) also never refers to the Director of Mission Support as “head of entity”. Given that there was no entity, there was therefore no “head of entity” authority that the Secretary-General could have delegated. The Officer-in-Charge therefore never held any “head of entity” authority. The relevant entry for the Officer-in-Charge in the delegation of authority portal is incorrect, as is the portal’s entry “Additional human resources delegation to head of entity”.

70. The Office of Legal Affairs was consulted when [ST/SGB/2019/2](#) was being drafted. The Board holds that the legal definition of “head of entity” must not be interpreted to extend the meaning of entity to closed missions such as UNAMID. This fixed term is used throughout [ST/SGB/2019/2](#), and expanding its applicability would fundamentally change the delegation of authority’s scope. The Administration will have to address this uncertainty by closing the legal gap in [ST/SGB/2019/2](#), given that the issue identified at UNAMID will also inevitably occur in other missions.

71. The Department of Management Strategy, Policy and Compliance, the Department of Operational Support and the UNAMID liquidation team consider the Director of Mission Support to be the head of entity and to have received relevant authority by way of the letter from the Officer-in-Charge to him. However, the Director of Mission Support has never received delegated authority as head of entity. As stated above, there has been no entity since 1 January 2021, nor did the Director of Mission Support ever accept any such delegation of authority in the delegation of authority portal, which is the only way he could have received it, according to paragraph 1.2 of [ST/SGB/2019/2](#).

72. It is not clear why the Secretary-General chose to delegate authority to the Officer-in-Charge from 1 February to 30 June 2021. According to Headquarters logic, the African Union-United Nations Joint Special Representative for Darfur could have simply appointed the Officer-in-Charge, as the Officer-in-Charge did with the Director of Mission Support later. This demonstrates that the Administration is not consistently interpreting and implementing the delegation of authority and that the process needs to be unambiguously codified. The Director of Mission Support is the most senior officer on the ground, as stated in the budget. However, the factual position of being the most senior officer on the ground must not be confused with the legal position of “head of entity” and the associated authority.²⁰

73. No delegatee of authority can legally transfer that authority by a letter, outside the delegation of authority portal. If this were the case, the Secretary-General would lose any oversight as to who actually holds delegated authority. This would run counter to the accountability desired pursuant to [ST/SGB/2019/2](#) and its stipulation that all delegations of authority, including any limitations, be issued and managed through the delegation of authority portal. Only the bearer of delegated authority may subdelegate his authority to an Officer-in-Charge. The UNAMID Director of Mission Support has acted without “head of entity” authority. It is stated in the preamble of [ST/SGB/2019/2](#) that the Secretary-General’s bulletin is aimed at “decentralizing decision-making,

¹⁸ “Heads of entity” is used 109 times and “Head of entity” 20 times.

¹⁹ In the present report, the term “UNAMID” is used for ease of reading and refers to staff still on the ground.

²⁰ The statement in the UNAMID budget that the liquidation team would be “headed” by the Director of Mission Support is misleading in that respect.

aligning authorities with responsibilities and strengthening accountability”. With regard to delegation of authority after the end of a mission’s mandate, the opposite has happened. Instead, the Department of Management Strategy, Policy and Compliance and the Department of Operational Support have given the Director of Mission Support tasks that would have required head of entity authority.

74. The Board recommends that the Administration ensure that the delegation of authority to any Officers-in-Charge is visible in the delegation of authority portal, and define and codify the delegation of authority for administrative decisions regarding the management of resources, including human resources, for all drawdown and liquidation activities after the Security Council mandate of a mission has ended.

75. The Administration accepted the recommendation. However, it disagreed with the observation that no authority could be delegated outside of the portal by stating that paragraph 2.6 of [ST/SGB/2019/2](#) expressly referred to an automatic delegation on a temporary basis for Officer-in-Charge situations. The Administration considered that the UNAMID Director of Mission Support had a valid delegation in the exercise of his decision-making authority as per paragraph 2.6 of [ST/SGB/2019/2](#). The logic behind the difference in treatment between the Officer-in-Charge from January until June 2021 and the Officer-in-Charge from July 2021 onwards had been as follows: in line with paragraph 2.6 of [ST/SGB/2019/2](#), in which it is stipulated that “When an Officer-in-charge or an officer ad interim is assigned to a function, the authorities of the official holding that function shall automatically be delegated on a temporary basis to the officer-in-charge”, the Officer-in-Charge had not required a formal delegation in the portal. However, the Officer-in-Charge could be issued the delegation in the portal when the Officer-in-Charge had been appointed or endorsed by the Secretary-General. All heads of entity delegations issued in the portal were on behalf of the Secretary-General. The Administration had followed a consistent practice to issue the delegation in the portal when the Officer-in-Charge was appointed or endorsed by the Secretary-General, but not to issue the delegation in the portal when the Officer-in-Charge was not appointed or endorsed by the Secretary-General. Consequently, the Officer-in-Charge appointed by the Secretary-General (from January until June 2021) had received a delegation in the portal. The Director of Mission Support who assumed the role after the former Officer-in-Charge had left him in charge, but who was not formally appointed by the Secretary-General, was not issued a delegation in the portal.

76. Nevertheless, the Administration acknowledged the lack of transparency of the “automatic delegation” in situations of Officer-in-Charge. [ST/SGB/2019/2](#) would be revised to indicate that when an Officer-in-Charge arrangement was put in place to assume the function held by an official whose post has become vacant, the authorities would be delegated to the Officer-in-Charge in the online portal. The portal had already been enhanced to allow the delegation “in capacity of Officer-in-Charge” as part of the latest portal enhancements implemented, in September 2021.

77. The Board stresses that each instance of delegated authority must be documented and monitored and that delegated authorities must be exercised in compliance with the rules and through the portal.

Danger pay to staff working from home outside the mission host country

78. UNAMID awarded danger pay to staff members who were physically not present at the Mission. UNAMID stated that, “owing to security and health and safety concerns occasioned by COVID-19 pandemic, the mission had to institute measures to contain/limit the spread of the virus. To this end, in order to reduce the footprint, the mission leadership decided to allow staff members to travel to their home country

where they were expected to work and still receive all mission-specific entitlements as if they were physically in the mission". UNAMID paid those entitlements to 66 staff members whose contracts expired on various dates in the first half of 2021. Among those 66 staff members, 41 held continuing appointments. They left the Mission between five days and three-and-a-half months before their contract expired. They received danger pay at the 2021 rate for internationally recruited staff members of \$1,645 per month/\$54 per day.

79. According to the administrative instruction on danger pay ([ST/AI/2020/6](#), para. 6.1), danger pay is payable to eligible staff members who are present in a location approved for danger pay. Where a staff member assigned to a location approved for danger pay resides in a different location that is not approved for danger pay, the allowance will be payable only for the days that the staff member reports to work and is present in the location approved for danger pay.

80. The Board holds that the decision of UNAMID to allow staff members to travel outside the mission host country where they were expected to work and still receive all mission-specific entitlements as if they were physically in the mission is in violation of [ST/AI/2020/6](#). Awarding danger pay makes sense only if the staff member is subject to danger, which is not the case when he or she is not physically present in the respective location. This not only applies to UNAMID, but also is a potentially pervasive issue that should be addressed Organization-wide.

81. The Board recommends that the Administration ensure that the administrative instruction on danger pay is complied with and that it is paid only to staff members who are physically present in eligible locations, and that the Administration review the possibility of reclaiming danger pay awarded to non-eligible staff.

82. The Administration accepted the recommendation and stated that it had already implemented the first part of it. Under the new danger pay solution (implemented in Umoja in August 2021), the entitled amount was calculated and disbursed based on the days that had been certified by the staff member as being physically present in the danger pay location during the previous month, as per the new policy ([ST/AI/2020/6](#)). The Administration therefore considered that the solution to ensure that the administrative instruction on danger pay was complied with and that it is paid only to staff members who are physically present in eligible locations, had been developed and implemented. With regard to the second part of the recommendation, a review of overpayments to former UNAMID staff was conducted by RSCE. The Administration was making all possible efforts to initiate recovery in line with the administrative instruction on recovery of overpayments made to staff members ([ST/AI/2009/1](#)).

83. The Board holds that danger pay serves to compensate staff for being required to work in locations where very dangerous conditions prevail. Working from a location outside the danger pay area (e.g., working from outside the mission host country) does not match these criteria.

Lack of human resources policy for downsizing and liquidation

84. The Board recommended in previous reports that the Administration consider keeping staff members available until after the liquidation date in order to finalize outstanding tasks, and that the Administration ensure that heads of field units stay at their posts and remain responsible for the closure of their units ([A/72/5 \(Vol. II\)](#), para. 464; [A/74/5 \(Vol. II\)](#), para. 389). The Administration accepted both recommendations. It stated that experience had shown that liquidation work was undertaken most effectively and efficiently in situ by experienced staff acquainted with the mission. It saw the need to review staffing needs at each location for key staff required for the transfer of knowledge and, after the liquidation date, to finalize

outstanding tasks, mitigate the risks of financial liabilities and fully close the financial and administrative reporting upon a mission's liquidation ([A/72/5 \(Vol. II\)](#), para. 465; [A/74/5 \(Vol. II\)](#), paras. 391–392). The General Assembly endorsed both recommendations and asked the Administration to implement them.

85. In 2018, the Secretary-General pledged to the General Assembly that an Organization-wide human resources downsizing policy focusing on organizational restructuring, including its impact on staff, had been developed by the then Department of Management and was pending finalization ([A/72/756](#), para. 153). In 2019, the Secretary-General pledged that a downsizing policy was under review and would be promulgated once approved. He targeted implementation for the third quarter of 2019 ([A/73/750](#), paras. 212–213). To date, no such policy has been promulgated and the recommendation remains open. In 2021, the Secretary-General pledged that the recommendation that the Administration ensure that heads of field units stay at their posts would be implemented in the second quarter of 2021 ([A/75/793](#), para. 193). This did not happen.

86. On 12 January 2021, the Board recommended in its management letter to UNAMID that the Operation use the pre-closure period to prepare the comparative review process. This would ensure a fair and transparent selection among staff members with the same functional task to determine their effective date of separation. UNAMID accepted the recommendation.²¹

87. It is stipulated in the Department of Operational Support guide for senior leadership on field entity closure²² that workforce planning for the drawdown phases and a civilian comparative review process should be carried out closely with input from the mission's senior management team and national and field staff unions. The sensitivities of this exercise require that Headquarters guidance be sought at all stages of the comparative review process.²³ Prior to Security Council resolution [2559 \(2020\)](#) on the termination of the UNAMID mandate, UNAMID developed the “UNAMID Guidelines on Personnel Separation” (UNAMID Guidelines).²⁴ It is stated in these guidelines that a comparative review process would be undertaken during drawdown, as required. It would cover all categories of staff, including fixed-term, continuing and permanent appointees.

88. At the inception of the drawdown process, the UNAMID Director of Mission Support and head of the liquidation team decided “that a comparative review process would only be conducted where it was deemed necessary and not in all cases for the sake of conducting a meaningless exercise”.²⁵ UNAMID stated that it had “established its Liquidation Team based on the merits, competencies, and qualification of staff. UNAMID obtained the delegation to select, without a comparative review process, staff onto the Liquidation Team based on merit and on the confidence UNAMID management had in the competencies of staff and in staff's proven ability to operate with team spirit and within a teamwork environment”.²⁶ On 10 November 2020, the Administration informed UNAMID that it agreed that liquidation team membership would not be subject to a comparative review process. Given that the decision to assign staff members to be part of the liquidation team

²¹ Management letter on the external audit of the African Union-United Nations Hybrid Operation in Darfur (UNAMID) for the financial period ended 30 June 2020 (PKO-UNAMID-SUD-2021-03, paras. 67–71).

²² The guide replaces the 2013 Department of Peacekeeping Operations/Department of Field Support liquidation manual (Ref. 2012.18). See paragraph 6, section A, of the guide.

²³ Department of Operational support “Guide for senior leadership on field entity closure”, para. 19.

²⁴ A hard and digital copy of the guidelines were distributed to all personnel in November 2020; see UNAMID End of Mission DMS Drawdown Report, paras. 63–64.

²⁵ UNAMID End of Mission DMS Drawdown Report, para. 58.

²⁶ “UNAMID approach to staff downsizing and management” (October 2021), pages 8–9.

rested with the Director of Mission Support, he had to ensure that those designated to be part of the liquidation team had the expertise and knowledge necessary to be retained to work through the mission's liquidation/closure.²⁷ According to an email dated 10 November 2020 from the Administration to the Director of Mission Support, to ensure the retention of the liquidation team during the liquidation phase, its members would not be subject to a phased mission drawdown process and therefore would not need to be subject to a comparative review process.

89. All staff whom UNAMID chose to retain became part of the liquidation team. UNAMID separated all other staff. Senior staff who left the mission numbered 110 at the P-4 level and above. Among them were Chief of Staff and Deputy Force Commander (D-2); the chiefs of supply chain management, service delivery, humanitarian aid, rule of law and civil affairs, the head of the political affairs office, the Principal Human Rights Officer and the Deputy United Nations Police Commissioner (D-1); and the chiefs of the following sections: Finance and Budget, Movement Control, Property Management and Contingent-owned Equipment Section, Medical and Public Health Safety Section, Engineering, Aviation Section, Transport, Information Systems and Human Resources Management (P-5).

90. Between 1 January and 30 June 2021, staff members submitted 104 management evaluation requests, of which 79 were against UNAMID²⁸ and 25 were against other missions. Most of those requests were submitted by staff members holding permanent and continuing appointments contesting the decision to terminate their appointments following the termination of the UNAMID mandate.²⁹ UNAMID, in an email dated 11 November 2021 to the Board, reported that most staff believed that the United Nations was not making sufficient efforts to place UNAMID downsized staff members in other missions or other United Nations entities. According to the Director of Mission Support, the Under-Secretary-General for Management Strategy, Policy and Compliance rejected all management evaluation requests.³⁰

91. The UNAMID Director of Mission Support stated that “while the process for repatriating uniformed personnel was straightforward..., the separation of civilian staff proved to be more problematic in the absence of a policy that provides clear guidance on drawdown and separation of staff at end of Mission and that would assist in managing expectations from the outset.... The human resources framework should be revised to shift responsibility on policy related matters from the Mission level to Headquarters. This would greatly facilitate the Mission in focusing on the core activities of drawdown and closure while the staff grievances arising from policy issues are dealt with at Headquarters level.”³¹

92. As the Board stated in its most recent management letter to UNAMID, a comparative review process ensures a fair and transparent selection among staff members with the same functional task to determine their effective date of separation. A comparative review process fosters a climate of transparency by basing staff selection and staff separation on objective criteria that would make any decision to separate from staff at least understandable to the staff member affected. UNAMID has based its decision on which staff members to retain on merit and expectations and its decisions on which staff members from whom to separate on (lack of) merit and negative expectations. These are subjective criteria. This might have triggered

²⁷ UNAMID/Division for Special Activities of the Department of Operational Support meeting readout on drawdown and human resources support, 23 April 2020.

²⁸ The mandate of UNAMID was terminated on 31 December 2020. Since 1 January 2021, there has been no UNAMID entity, nor any other entity conducting programmed activities.

²⁹ UNAMID End of Mission DMS Drawdown Report, para. 66.

³⁰ Information from UNAMID conveyed to the Board on 10 November 2021.

³¹ UNAMID End of Mission DMS Drawdown Report, para. 7 and p. 47.

opposition from staff, as visible from the 104 management evaluation requests. UNAMID also did not comply with its own separation guidelines.

93. The Board acknowledges that UNAMID was in the middle of a strenuous drawdown and liquidation phase. It agrees with the Director of Mission Support's statement that the separation of civilian staff proved to be more problematic in the absence of a policy that provides clear guidance on drawdown and separation of staff at end of Mission and that would assist in managing expectations from the outset. The Board stresses that, in 2018 and 2019, the Secretary-General pledged to promulgate an Organization-wide human resources downsizing policy focusing on organizational restructuring, including its impact on staff. In this context, it is even worse that the Administration backed the decision of UNAMID to limit comparative review processes to one small case during drawdown and liquidation and to separate from a large number of high-ranking staff members. Not only does this contradict the Administration's own guidelines that advocate comparative review processes owing to the sensitivity of staff separation, the Administration also went against the Board's prior recommendations, which have been endorsed by the General Assembly. Neither has the Administration seen to it that staff members are kept available until after the liquidation date to finalize outstanding tasks, nor did it ensure that heads of field units stay at their posts and remain responsible for the closure of their units. Instead, it conferred upon the UNAMID Director of Mission Support decisions that would have to be taken by the Administration.

94. Transparency and accountability are guiding principles of the Secretary-General's management reform. He defines transparency as a process by which reliable, timely information about existing conditions, decisions and action relating to the activities of the Organization is made accessible, visible and understandable to all stakeholders. He defines accountability as the obligation of the Administration and its staff members to be answerable for all decisions made and action taken by them, and to be responsible for honouring their commitments, without qualification or exception (A/72/773, annex I, paras. 6–7). The UNAMID staff separation process has not been transparent, given that it has clearly not been understandable to all stakeholders. It also does not meet the requirements for accountability: key staff members have left their posts before the end of drawdown and liquidation.

95. The Board recommends that the Administration promulgate a human resources downsizing policy for drawdown and liquidation.

96. The Administration did not accept the recommendation and requested that the Board close the prior recommendations, namely, that the Administration consider keeping staff members available until after the liquidation date to finalize outstanding tasks and that the Administration ensure that heads of field units stay at their posts and remain responsible for the closure of their units (A/72/5 (Vol. II), para. 464; A/74/5 (Vol. II), para. 389). There was no mechanism in place to prevent staff from accepting jobs elsewhere in the Organization or outside of the Organization.

97. The Administration stated that it had taken various measures at the operational level to mitigate the issue. It had promulgated guidance for entities that aimed to address the operational risks while keeping within the applicable policy framework. In addition to the guide for senior leadership on field entity closure, the Administration had issued a human resources operational guide for entity closures, which included a section pertaining to the designation of a liquidation coordinator and a liquidation team. In that section, it was indicated that, "to maximize retention for critical liquidation related tasks, the Entity is asked to negotiate the releasing of the selected staff member(s) with the receiving Entity. DOS may intervene, as necessary, to negotiate individual cases with receiving entities on reassignment dates". Moreover, the Administration had established a surge capacity mechanism

whose objective was to “establish and maintain a stand-by pool of highly skilled and trained civilian personnel ready to be deployed at short notice to anywhere to meet surge demands in special situations including establishment of a new office, closure of an existing office, start-up, transitions, downsizing/liquidation and crisis situations for the global Secretariat”. This mechanism sought to establish a pool of experienced staff to be available to finalize key tasks during a mission’s liquidation. While this pool could not provide the full suite of roles and skill sets required for a liquidation team, it did enable support for critical areas and addressed concerns on the retention of key staff. Accordingly, the Administration was of the view that no further measures could be taken to mitigate the risk identified by the Board.

98. With regard to the Board’s observation on the Administration’s approval of the UNAMID decision that liquidation team membership would not be subject to a comparative review process, the Secretariat stated that its guidance to UNAMID, namely, that the liquidation team membership would not be subject to a comparative review process, should be considered in conjunction with guidance provided throughout the drawdown process and applicable guidelines and was in line with practice common to the closures of all field entities since that of UNOCI in 2017. This practice had arisen because of the recognition that the liquidation team would require specific functions, skill sets and roles that needed to be clearly established prior to the full drawdown of the field entity. By contrast, a comparative review process only compared staff generally performing similar functions and did not assess the specific functions or skills that might be required during liquidation. This guidance regarding comparative review processes related only to the liquidation team and not to the full drawdown of the mission. Furthermore, the Secretariat claimed the need to document in full the process of the establishment of the liquidation team in recognition of the need to ensure that the process was as transparent as possible. The decision on how to compose the liquidation team had been taken by UNAMID in accordance with its delegated authority. It should be noted that authority was delegated by the Secretary-General directly to UNAMID and not through the relevant department, whose role had been advisory.

99. The Board holds that staff separation is a sensitive measure. In order to address issues from staff, the Secretariat has developed both the guide for senior leadership on field entity closure and the UNAMID Guidelines on Personnel Separation. The Secretariat has ignored its own guidelines and turns against its own prior statements, against the pledges of the Secretary-General and against the decision of the General Assembly. By endorsing the Board’s recommendations, the Assembly has instructed the Administration to consider keeping staff members available until after the liquidation date to finalize outstanding tasks and to ensure that heads of field units stay at their posts and remain responsible for the closure of their units. The Board is of the view that the Administration should not contest Assembly decisions. Even if the current policy framework would not permit keeping staff available at their posts, the Administration would have to seek to change it. The Board does not follow the Administration’s reasoning in practical terms, either. The Administration has not made clear why it should not be possible that staff members’ assignments to mission posts depend on their agreement to stay there until outstanding tasks are finalized.

100. The Administration’s statement that it merely has an advisory role is problematic for various reasons. The Board stresses that the Director of Mission Support and head of the liquidation team was constantly at UNAMID and interacted daily with staff whose appointment he was supposed to terminate. This aggravated his personal position, given that UNAMID already operated in a difficult environment. It would have been easier if the termination of appointments had been decided in New York on the basis of established guidance. This guidance is specifically designed to be used during drawdown and liquidation. If the comparative

review process that it prescribes is indeed “a meaningless exercise” and the Administration accepts this approach, the Administration will have to analyse why this guidance exists in the first place and why it put any effort into it.

101. In fundamental issues such as these, Headquarters needs to assume responsibility and insist on implementation of the guidance that it developed for such cases. It should not merely stand by during the operation and let the UNAMID Officer-in-Charge carry all responsibility. The Board stresses that the General Assembly has defined accountability as “the obligation of the Secretariat and its staff members to be answerable for all decisions made and actions taken by them, and to be responsible for honouring their commitments, without qualification or exception” (resolution 64/259, para. 8).

Enhanced and exceptional indemnity paid against the interest of the United Nations

102. In accordance with staff regulation 9.3 (a) and (b), the Secretary-General may terminate the appointment of a staff member who holds a temporary, fixed-term or continuing appointment if the necessities of service require the abolishment of the post or a reduction in staff. Staff members holding continuing appointments may be separated without their consent if such action would be in the interest of the good administration of the Organization, to be interpreted principally as a change or termination of a mandate. Staff members may be retained subject to the availability of suitable posts in which their services can be effectively utilized (staff rule 9.6 (e) and (f)). According to staff regulation 9.3 (c), the separated staff member shall be given such indemnity payment as may be applicable under annex III to the Staff Regulations and Rules. Staff regulation 9.3 (d) allows for the granting of an enhanced termination indemnity of not more than 50 per cent higher than that which would otherwise be payable under the Staff Regulations. Where the circumstances warrant and the responsible delegated authority considers it justified, enhanced termination indemnity can be granted, provided that the termination is not contested by the relevant staff member. According to staff rule 9.8 (c), termination indemnity shall not be paid to any staff member who, upon separation from service, will receive a retirement benefit under article 28 of the Regulations of the United Nations Joint Staff Pension Fund. Staff members are eligible for retirement benefits if they have reached the normal retirement age.³² This is clarified in annex III (d) (v) of the Staff Regulations and Rules of the United Nations, which provides that no indemnity payments shall be made to a staff member who is retired under the Regulations of the Pension Fund.

103. According to the Administration, recent closures led to several Management Evaluation Unit³³ reviews and to United Nations Appeals Tribunal judgments in which permanent and continuing staff had contested separation decisions. This often led to lengthy “suspension of action” periods and, eventually, financial compensation awarded to staff for the failure of the Secretariat to demonstrate priority consideration and efforts with placement. A centralized process of possibly matching affected staff

³² According to article 1 (n) of the Regulations of the United Nations Joint Staff Pension Fund, Normal retirement age “shall mean age 60, except that it shall mean age 62 for a participant whose participation commences or recommences on or after 1 January 1990 but before 1 January 2014, and age 65 for a participant whose participation commences or recommences on or after 1 January 2014”.

³³ The United Nations has a process of management evaluation designed to give management a chance to correct an improper decision and provide acceptable remedies in cases in which the decision was improper. This is done by submitting a management evaluation request to the Management Evaluation Unit. The Unit, which is in the Department of Management Strategy, Policy, based at United Nations Headquarters, conducts the management evaluation of contested decisions relating to, for example, United Nations staff members working in the Secretariat and United Nations peacekeeping missions.

profiles to vacant positions globally may mitigate potential litigation risks, especially in the absence of a duly promulgated downsizing administrative instruction. A further option might be to proactively seek the agreed termination of these permanent and continuing staff on the basis of an “enhanced termination indemnity” payment. UNAMID indicated in an email to the Board dated 18 January 2021 that there might be a pool of serving staff who may wish to accept an agreed termination. The Administration further stated that the United Nations should first offer enhanced termination packages because it would be impossible to place 213 staff with permanent and continuing appointments elsewhere in the Organization. It would be necessary to look at vacancies in other peacekeeping missions and other non-geographical posts. Central placement required capacity to review vacancies and staff profiles to identify matches. Such capacity did not exist, according to UNAMID in its email of 18 January 2021.

104. On 10 February 2021, the UNAMID Officer-in-Charge agreed to a proposal from the UNAMID Director of Mission Support to pay enhanced termination indemnity at the rate of 50 per cent pursuant to staff regulation 9.3 (d). According to the Director of Mission Support, this had been in the best interest of the Organization and the staff members, because it would save the Organization direct and indirect costs should staff members opt to pursue a protracted litigation process. This decision would be in line with the Officer-in-Charge’s delegated authority.³⁴

105. On 10 February 2021, the Officer-in-Charge addressed an inter-office memorandum to two Under-Secretaries-General. He stated that, given the limited vacancies available in the Secretariat, he considered payment of enhanced agreed termination up to 50 per cent to 187 staff members who were entitled to termination indemnity under staff regulation 9.3 and in line with the delegation of authority to heads of entities effective 1 January 2019.³⁵ He also asked for approval to pay exceptional termination indemnity to 17 staff members who were to be separated and who held permanent and continuing appointments but had reached the normal retirement age. They were not entitled to termination indemnity because they would receive a retirement benefit under article 28 of the Regulations of the United Nations Staff Pension Fund. Nevertheless, according to the inter-office memorandum, paying termination indemnity would be in the best interest of the Organization and the staff members, given that it would save the Organization direct and indirect costs should staff members opt to pursue a protracted litigation process.³⁶ An Under-Secretary-General approved paying exceptional termination indemnity to the 17 staff members on 11 February 2021.³⁷

106. UNAMID offered to pay enhanced termination indemnity of 50 per cent, in addition to the termination indemnity, as per the Staff Regulations and Rules and signed relevant memorandums of understanding with staff members who held a continuing contract and who were to be separated. In exchange, the staff members would not contest the separation and not be eligible for employment in the United Nations for three years from the date of separation. Apart from personal data, all memorandums of understanding were identical and, notably, offered the same enhanced rate of 50 per cent. The highest enhanced termination indemnity paid to a single staff member was \$253,004.20. There were no documented individual justifications, either for offering the same maximum rate of 50 per cent enhanced termination indemnity or for the best interest of the Organization. To date, 85 memorandums of understanding have been signed: 68 in the drawdown period and

³⁴ Director of Mission Support proposal to the Officer-in-Charge, routing slip ref: DMS/IOM/202/038.

³⁵ Inter-office memorandum of 10 February 2021, para. 2.

³⁶ Ibid., paras. 3–4.

³⁷ Email from an Assistant Secretary-General to the Officer-in-Charge, with two Under-Secretaries-General in copy.

17 in the liquidation period. UNAMID informed the Board in an email dated 11 November 2021 that it intended to conclude a further 33 memorandums of understanding, identical to those that it had already signed. Among these are three more memorandums of understanding with staff members who, as at 30 September 2021, were older than 60 years of age.

107. On 25 July 2021, the Director of Mission Support submitted his “UNAMID End of Mission DMS Drawdown Report”. He stated that the “separation of civilian staff proved to be more problematic in the absence of a policy that provides clear guidance on drawdown and separation of staff at end of Mission and that would assist in managing expectations from the outset”.³⁸ On 2 August 2021, the Director of Mission Support wrote to an Under-Secretary-General to “highlight the need for an early organizational reflection related to expectation management of 53 international staff members on UNAMID’s liquidation team holding permanent (2) and continuing (51) appointments ... A large number, if not all 53 staff members holding permanent or continuing appointments would exercise their right for Management Evaluation Request with suspension of action”.³⁹ According to the Director of Mission Support, the Administration has not responded to his query.

108. The Board analysed termination indemnity and enhanced indemnity payment records in Umoja. Between May and October 2021, 88 UNAMID staff members received termination indemnity. In total, the United Nations paid \$9.3 million to them. This included some \$2.4 million in enhanced indemnity.

109. The Board holds that the Administration’s decisions are not in the interest of the United Nations for a variety of reasons.

110. Staff members with a continuing appointment know from the start of their employment that the mission to which they are appointed will be liquidated one day and their posts abolished. They also know that their appointment there will no longer be in the interest of the Organization and that they can be retained only if there are suitable posts elsewhere in which their services can be effectively utilized (staff rule 9.6 (e)). The Administration is obliged to search for, not to find, other suitable posts; if it can demonstrate that it has not found any other suitable post for the individual staff member, he or she has no right to be retained and his/her management evaluation request or appeal at the United Nations Dispute Tribunal stands no chance of succeeding. This is not only evident from staff rule 9.6 (f) and (g), but also confirmed by jurisdiction: the United Nations Appeals Tribunal states that “the Administration is under an obligation to make proper, reasonable and good faith efforts to find an alternative post for the displaced staff member”.⁴⁰ Paying maximum enhanced termination indemnity has apparently avoided contestation in a phase that was very demanding for UNAMID staff who were concerned about their future employment. However, the Department of Management Strategy, Policy and Compliance should have supported the mission and searched for other suitable posts; if it could not find any, it would merely have had to state and document this fact to the relevant staff member.⁴¹ However, the Administration’s decision to avoid management evaluation

³⁸ UNAMID End of Mission DMS Drawdown Report, para. 7.

³⁹ Communication dated 2 August 2021 from the Officer-in-Charge at UNAMID to the Under-Secretary-General Department of Management Strategy, Policy and Compliance (Ref.: 007/08/2021/UNAMID).

⁴⁰ United Nations Appeals Tribunal Judgment No. 2018-UNAT-847, para. 57.

⁴¹ See staff rule 9.6 (e): “Except as otherwise expressly provided in paragraph (f) below and staff rule 13.1, if the necessities of service require that appointments of staff members be terminated as a result of the abolition of a post or the reduction of staff, and subject to the availability of suitable posts in which their services can be effectively utilized, provided that due regard shall be given in all cases to relative competence, integrity and length of service, staff members shall be retained in the following order of preference”.

requests by unreasonably expending funds, even when the requests are clearly unjustified, gives the impression that staff members have a claim to be further employed by the United Nations. This logic is apparent in the Director of Mission Support's letter to the Under-Secretary-General for Management Strategy, Policy and Compliance dated 2 August 2021, in which the Director directly links posts to be abolished to the possibility of staff raising management evaluation requests, without giving further evidence to support his statement.

111. The Administration has chosen to let the Officer-in-Charge and the Director of Mission Support of UNAMID pay the maximum amount of enhanced termination indemnity to all staff members who held a permanent or continuing appointment, without any scrutiny as to whether paying the maximum amount was justified in the individual case. This lack of scrutiny is not in line with staff regulation 9.3 (d), which expressly demands exercising discretion for each individual staff member concerned and clarifies that enhanced termination indemnity is an exception.⁴² At UNAMID, it has become the rule.

112. Paying exceptional termination indemnity to staff members who have reached retirement age contradicts staff rule 9.8 (c). Even though the Officer-in-Charge acknowledged this fact, he still chose to pay in order to avoid litigation processes that would, by his own logic, be unjustified.

113. The Administration's approach could set a precedent for other missions that might face drawdowns and eventual liquidation, causing potential financial losses for the Organization in the future. It can be argued that the Administration has exercised its discretion towards all staff members of UNAMID with a continuing appointment to be separated during drawdown and liquidation, and that it would now be obliged to act in the same way towards the staff members concerned when other missions are closing. This argument may well be stated at a future United Nations Dispute or Appeals Tribunal hearing from a staff member of other missions affected by drawdown and liquidation. Staff regulation 9.3 (c) and (d) (enhanced termination indemnity after scrutiny of the individual case and the percentage to be applied) and staff rules 9.8 (c) (no termination indemnity for staff who have reached retirement age) and 9.6 (e) (retaining staff with continuing appointments only when posts are available) are in danger of becoming void, owing to precedents set in which the Administration has chosen to pay maximum termination indemnity instead of enforcing the Staff Regulations and Rules. It is imperative that the United Nations publish written directives to enforce these regulations, so that no further staff will be able to claim a precedent.

114. The Board recommends that the Administration ensure compliance with the Staff Regulations and Rules of the United Nations to avoid unjustified indemnity payments after comprehensive placement efforts.

115. The Administration did not accept the recommendation. It stated that, pursuant to General Assembly resolution [70/244](#), staff regulation 9.2 had been amended to increase the mandatory age of separation to 65 years, effective 1 Jan 2018 for staff members who were on board prior to 1 January 2014. Consequently, staff members holding permanent or continuing appointments had appointments expiring at 65 instead of at 60 or 62 years of age, as had been the case prior to the increase in the mandatory age of separation. The appointment end date was legally binding on the Organization. In the event that the appointments of these staff members were

⁴² The Board highlights the relevant wording of staff regulation 9.3 (d): "The Secretary-General **may**, where the **circumstances warrant** and he or she **considers it justified**, pay to a staff member whose appointment has been terminated, provided that the termination is not contested, a termination indemnity payment **not more than 50 per cent higher** than that which would otherwise be payable under the Staff Regulations".

shortened by the Organization at any time prior to the expiration date, including between 60 or 62 and before 65 years of age (e.g., owing to post abolishment or reduction in staff), such action represented a termination initiated by the Organization. In such instances, the Organization was legally obligated to offer appropriate compensation in the form of a termination indemnity to compensate for the premature end of the contract prior to completion of its full term. Likewise, the Organization may enter into an agreed termination with a staff member when it considered it in the interest of the good administration of the Organization, including with staff members in the aforementioned category.

116. The Administration further stated that, in the case of UNAMID, given the number of staff members with continuing or permanent appointments in UNAMID in need of placement and the unlikelihood of successful placement, including previous experience with other downsized or closed missions where placement was difficult or near impossible, and the potential risk of litigation, the Administration considered that offering agreed termination was clearly and fully in the interest of the good administration of the Organization. Doing otherwise posed a significant risk that the Administration would be liable to continue to honour the appointments of these staff members or potential successful challenge in the internal justice system with the associated legal and financial liability. In either case, given that the staff members had continuing or permanent appointments, they would have been entitled to payment of termination indemnity if a suitable position could not be identified, necessitating a premature termination of the staff member's appointment. In reference to the Board's statement that the Department of Management Strategy, Policy and Compliance should have supported the Operation and searched for other suitable posts, if it could not find any, it would merely have had to state and document this fact to the respective staff member. The Administration stated that it was not sufficient to merely state and document. The whole process was subject to independent judicial review. Furthermore, the Board had stated that the Administration's decision to avoid management evaluation requests by expending unreasonably funds, even when the requests were clearly unjustified, gave the impression that staff members had a claim to be retained. To this, the Administration wished to clarify that the termination agreements were a mitigating measure prior to any management evaluation requests being submitted. The validity of the management evaluation requests could only be assessed once such requests were submitted and after the date of termination, given that staff rule 9.6 (e) would apply up to until that date.

117. In the case of UNAMID staff, they were not considered "retired" under the Regulations of the United Nations Joint Staff Pension Fund and were not in receipt of retirement benefits or retained in service beyond the mandatory age of separation of 65 years. References to staff rule 9.6 (f) and (g) did not apply to international staff members in UNAMID holding continuing appointments for whom the Organization has placement responsibilities when suitable positions are available.

118. The Board holds that the Administration's comments do not reflect the legal situation of continuing appointments. The Secretary-General abolished permanent appointments and introduced continuing appointments to allow greater weight to be given to the needs of the United Nations when an appointment was to be terminated. The Secretary-General specifically stated that permanent appointments would no longer be offered, as the rules that were in place on the termination of permanent appointments did not recognize a number of legitimate considerations, such as the changing needs, functions and mandates of the United Nations or the reorientation of its programmes. The determination on whether to separate a staff member would focus on performance and length of service among equal performers rather than on the contractual status of the staff concerned. A continuing appointment could be terminated in the interest of the Organization if that decision was justified and fully

documented ([A/59/263/Add.1](#), para. 11; [A/62/274](#), paras. 24, 52 and 62 (a); and [A/63/298](#), paras. 25 (a), (e) and 26). The General Assembly approved the new contractual arrangements, which would comprise three types of appointments (temporary, fixed-term and continuing), under one set of Staff Rules, effective 1 July 2009 (resolution [63/250](#), sect. II, para. 2; see also resolution [62/248](#), para. 2). The Assembly also decided that, in the context of the Secretary-General's proposal regarding termination of appointments, "in the interest of the good administration of the Organization" was to be interpreted principally as a change in or termination of a mandate (resolution [63/250](#), sect. II, para. 22). In view of the Assembly's decision, the Board underlines that the employment form "continuing appointment" was specifically introduced to allow for termination in view of the changing needs, functions and mandates of the United Nations or the reorientation of its programmes, and that it could be terminated in the interest of the Organization. The Assembly has highlighted that this was the case when a mandate was changed or terminated. This is precisely what happened at the termination of the UNAMID mandate.

119. The Administration's reference to General Assembly resolution [70/244](#) is beside the point. This resolution merely sets the most recent date at which staff holding continuing appointments must retire from service, and its wording leaves no room for further interpretation. There is no continuing appointment to be "honoured", given that this type of employment was specifically introduced to allow for its termination. For the same reason, "placement responsibilities" of the Administration are limited to documenting good efforts in searching for a placement. Moreover, the Administration's arguments contradict the Assembly resolution regarding the introduction of continuing appointments. According to the Administration, a staff member with a continuing appointment would have a secure employment until he or she reaches retirement age. This interpretation disregards the reason for the reform of contractual appointments and is in direct opposition to the Secretary-General's statements and the decision of the Assembly.

120. The Board rejects the Administration's claim that the termination agreements were a mitigating measure prior to any management evaluation requests being submitted. Judicial review of administrative decisions is a normal procedure, and the Administration should not introduce mitigating measures instead of defending the Organization's interest.

121. The Board recommends that the Administration pay enhanced indemnity only after considering each case individually.

122. The Administration agreed with the recommendation, noting that, in the case of the UNAMID liquidation, each case had been considered individually, including through a memorandum of understanding established for each staff member. Operational guidance will be reviewed to reiterate this aspect and enable entities to properly exercise their authority. From a payroll standpoint, the Administration ensured that all the necessary documentation was in place to process termination indemnity.

123. The Board notes that the Administration agreed with the recommendation but stresses again that UNAMID paid the maximum amount of enhanced termination indemnity to all staff members who held a permanent or continuing appointment, without any scrutiny as to whether paying the maximum amount was justified in the individual case. This uniform approach does not show individual consideration.

Disposal of property, plant and equipment

124. In June 2020, UNAMID recorded property, plant and equipment and inventories with a total acquisition value of \$645 million still to be liquidated.⁴³ The Mission planned for these assets to be reduced by 33 per cent, to a total of \$419 million, by December 2020. It had taken two years previously to reduce asset holdings by one third (between June 2018 and June 2020). Given the planned time frame, UNAMID recognized an imperative to improvise and pursue alternative methods in order to achieve a timely and implemented liquidation.⁴⁴ The disposal progressed as shown in table II.3.

Table II.3

Overview of amount still to be liquidated

(Millions of United States dollars)

	October 2020	November 2020	December 2020
Amount still to be liquidated	\$631	\$618	\$603

Source: Pre-liquidations reports dated 3 November and 6 December 2020 and 11 January 2021.

125. Between 1 January and 30 June 2021, the Operation disposed of property, plant, and equipment and inventory in the amount of \$199 million, resulting in \$404 million worth of property, plant and equipment and inventory as at 30 June 2021 still to be liquidated.⁴⁵

126. Information on the disposal methods was available in part in the pre-liquidation reports. Upon request, the Board was informed that, of the \$241 million (acquisition value) in items disposed, \$25.6 million was transferred to other missions. With regard to fixed assets and equipment, \$3.9 million was sold, \$77.9 million donated, \$29.4 million destroyed and, for \$16 million, disposal was not feasible owing to theft and loss, among others. Real estate with an acquisition value of \$70.3 million was either donated or demolished.⁴⁶ Inventory holdings were, for the most part, scrapped (\$9.6 million).

127. In its pre-liquidation reports, UNAMID repeatedly identified various impediments to the disposal process, such as restrictions on exporting and gifting, low demand at other missions and UNITAMS, and complexity and the amount of time needed for sales and Umoja processes. For example, according to a pre-liquidation report dated 3 November 2020, 678 equipment items held by 222 staff members, some of which had already left the missions, were written off without having been verified. In September 2021, the Administration stated that, upon request, “all assets not transferred or sold by 30 September 2021 will be considered for donation”.

128. In its report for the financial year 2019/20, the Board highlighted the risk of the uneconomical disposal of assets and inventory during the drawdown and liquidation phase of a mission. The relatively large share of donated, destroyed, lost and scrapped property, plant, and equipment and inventory and the inability to meet disposal benchmarks during the UNAMID drawdown indicate that these risks materialized during the financial year 2020/21.

129. While the Board agrees that the disposal of assets and inventory during drawdown can be exacerbated by various mission-specific circumstances, the Board

⁴³ Discussion paper on property reduction (September 2020).

⁴⁴ Ibid.

⁴⁵ UNAMID End of Mission DMS Drawdown Report, para. 161.

⁴⁶ The Board did not receive information on the separate amounts for donation or demolition.

holds that a root cause for the issues identified during the UNAMID drawdown rests with the scattered and excessive build-up of property, plant and equipment and inventory holdings in the first place. A larger amount of assets to be disposed of during drawdown led to bigger workloads and more time pressures to meet deadlines and, consequently, increased risks in terms of disposing assets in accordance with the Financial Regulations and Rules. The Board addresses these issues in the recommendations concerning supply chain management, as presented below.

7. Supply chain management

More centralized property, plant and equipment and inventory management

130. During its audit, the Board noted several deficiencies in property, plant and equipment and inventory management in the missions:

(a) *Determination of stock levels lacking.* It is required, pursuant to the manual on centralized warehousing operations in the field, that different stock levels for every item in stock, including maximum stock level, safety stock level, minimum stock level and reorder point stock level, be established. MINUSCA and UNSOS, for example, had not determined the maximum stock level, safety stock level, minimum stock level or reorder point stock level. The missions stated that the reasons for this were the unreliable performance of suppliers in terms of the timely delivery of goods, an unstable security environment in the missions that affected logistics lead time and frequent changes in demand to meet missions' operational needs;

(b) *Excess stockholdings and vehicles.* It is required, pursuant to the manual on surface transport management in the field, that the calculation for spare parts requisition be based on historical consumption patterns. Only spare parts required to maintain operational availability of the mission fleet are to be held. In some missions, stockholdings exceeded the actual consumption significantly. At MINURSO, for example, the value of spare parts in stock equalled the value of spare parts consumption for two-and-a-half years. In addition, some missions held light passenger vehicles that exceeded the amount authorized pursuant to the ratio in the standard cost and ratio manual. For example, MINURSO held 156 light passenger vehicles, compared with the authorized number of 134; UNISFA 275, compared with 214; and UNSOS 210, compared with 122. The missions stated that requirements were exceeded owing to the specific nature of their operating environment, the independent operational nature of various units in different sections and unforeseen requirements;

(c) *No declaration of ageing stock as surplus.* In some missions, the Board noted large amounts of aged stock. At MINUSCA, for example, of 10,054 sampled items in stock with a total value of \$22.7 million as at 30 June 2021, 2,292 items totalling \$11.0 million had been acquired before the end of 2016. These accounted for 23 per cent in quantity and 48 per cent in value, indicating a high risk of obsolescence and waste. However, only four items had been declared as surplus. The missions stated that a list of materials that had not been moved for a long period of time was submitted to the relevant technical sections on a quarterly basis for their review and appropriate action;

(d) *New acquisition of items already in stock.* For some missions, the Board noted the acquisition of items that were in stock at sufficient levels. Notwithstanding such existing stocks at MINUSCA, for example, new items had been procured, leaving the ageing stocks idle. For 125 Umoja material numbers with ageing stock idle for more than one year, more items had been ordered, with the total order value amounting to \$25.2 million. At UNSOS, there were 29 different items for which the inventory quantity exceeded 100 for each one, but new items continued to be purchased. As at 30 June 2021, for example, the Umoja material number was 103,

valued at \$11,900. Although only 2 of the 103 items were used in the financial year 2020/21, another 200 were procured within the same period.

131. The Board holds that all missions should establish stock levels, as stipulated in the manual on centralized warehousing operations. The Board is concerned that the failure to declare surplus stocks in a timely manner might lead to missed opportunities to save costs by redistributing surplus items to other missions. The significant levels of ageing stocks might also raise the risk of obsolescence and waste, affect the reliability of the inventory holdings and hinder the accuracy of demand planning. New procurements under these circumstances could indicate either significant obsolescence and wastage of the ageing stock, or room for improvement in demand and acquisition planning.

132. To ensure the efficient use of available resources and prevent overstocking, the Administration has already established some measures and plans to initiate further ones in the future, as follows:

(a) *Declaring and using surplus stock.* For existing equipment and inventory in stock, the responsibility to identify and declare surplus rests with each mission. The head of centralized warehousing informs the technical sections on stock levels and consumption patterns and proposes the sale, disposal or transfer of items from the warehouse.⁴⁷ The technical sections have to file surplus stock through Umoja on a regular, recurring basis (preferably weekly or monthly).⁴⁸ The commodity managers of technical sections, in cooperation with the Acquisition Management Section, are also accountable for establishing and monitoring initial, maximum, minimum, safety and reorder stock levels and approving stock requests.⁴⁹

In previous audits, the Board noted a lack of interaction between the technical sections and the warehousing units, for example, with regard to reviewing the value of stockholdings or declaring surplus stock. As noted above, surplus stockholdings might not be declared appropriately and in a timely manner;

(b) *Clearinghouse function.* In the acquisition phase, the global asset management cell at UNLB performs a clearinghouse function to ensure that existing resources are used before externally procuring property, plant and equipment and inventory items anew. For all items valued above \$4,000, the Global Asset Management Cell is supposed to check for available resources (resources from downsizing missions; strategic deployment stocks; United Nations reserve; and other mission surpluses) and issue binding recommendations;⁵⁰

In previous audits, the Board noted that missions rarely went through the clearinghouse function and that the delegation of authority for the function was unclear;

(c) *Tracking of property management key performance indicators.* At Headquarters, various key performance indicators, all based on data from Umoja, are tracked by the Global Asset Management Policy Service in the Office of Programme Planning, Finance and Budget. Aside from key performance indicators focused on ensuring sound asset financial reporting (e.g., percentage of assets physically verified), some key performance indicators address operational shortcomings in stock management, such as ageing stock (percentage of serialized items held on stock for more than six months) and surplus goods (percentage of serialized items identified as

⁴⁷ Manual on centralized warehousing operations in the field (version 2.0, 2018), para. 33.10.

⁴⁸ Ibid., para. 189.

⁴⁹ Ibid., para. 212.

⁵⁰ Fax from the then Under-Secretary-General for Field Support dated 11 April 2013 concerning the issuance of a policy relating to global asset management (Ref. 2013-UNHQ-007217).

surplus). On a quarterly basis, the Service brings anomalies to the missions' attention for corrective action.

The Board noted that the Global Asset Management Policy Service has no authority to enforce action as a result of malperformance. It functions as a quality assurance measure for the execution of the delegation of authority to missions;

(d) *Establishing regional warehouses.* On the basis of a study conducted by a consultant,⁵¹ the RSCE budget for the financial year 2021/22⁵² contained a proposal to establish a Regional Deployment Stock Cell at RSCE. The Cell is intended to reduce inventory holding requirements by missions for selected commodities by establishing reliable inventory management and delivery plans (indicator of achievement 12.1.9.). To achieve this goal, the Cell is tasked with identifying and consolidating commonly used goods that can be centrally stored in Entebbe, Uganda, and, on the basis of this assessment, building up a regional tactical deployment stock at Entebbe under the supervision of the strategic deployment stock at UNLB.

133. The Board is aware that the missions operate under volatile conditions and in remote areas that might aggravate the timely supply of goods and thus require a reasonable amount of buffer stocks in the missions' warehouses. When considering how to enhance the measures taken to date, according to the Board the following points should be considered:

(a) In order to achieve economies of scale for peacekeeping as whole in the end-to-end supply chain, a stronger central oversight with a global perspective would be beneficial. The delegation of authority that missions receive must be aligned with such a function. Prior initiatives, such as the Regional Procurement Office in Entebbe, remained ineffective because missions held the authority to decide how they obtained their services.⁵³ Another example is the clearinghouse function, which remained ineffective owing to an unclear delegation of authority;

(b) In the area of inventory management, an oversight function that centrally analyses and monitors the stockholding data of the missions from a global perspective would be beneficial to identify potential surplus holdings and initiate corrective action in a timely manner. Such data analysis requires that the data in Umoja be accurate and that staff in the missions be trained well on using Umoja. In addition, this function should be delegated the authority necessary to ensure that proper action follows from potential issues identified. Currently, these delegations rest with the missions;

(c) The key performance indicators monitored by the Global Asset Management Policy Service relate mainly to the financial reporting of assets and address only in part operational challenges for asset and inventory management. The defined business needs, that is, action that should follow in case of malperformance, are formulated only vaguely and cannot be enforced from Headquarters;

(d) Missions that receive declared surplus items from other missions regularly pay for the shipping and transport.⁵⁴ Therefore, missions face financial disincentives to use surplus items from other missions. Such freight charges would need to be covered by a different budget to remove this barrier;

⁵¹ "RPO, TMICC & SAOC: future roles in the UN supply chain" (23 November 2020).

⁵² A/75/770, paras. 35, 36 and 72.

⁵³ See A/71/5 (Vol. II), para. 238; see also "RPO, TMICC & SAOC: future roles in the UN supply chain".

⁵⁴ Standard operating procedure on global asset management (UNGSC/SOP/156.03), paras. 6.b.iv. and 6.c.iii.

(e) The task of organizing and planning for the disposal of assets should be performed throughout the lifetime of a mission. The planning of asset and inventory disposals should not be delayed until the drawdown of a mission. Centralized oversight and authority would enable a cross-cutting perspective. Given that senior management leaves missions during drawdown and liquidation (see chapter on UNAMID liquidation above), Headquarters is inevitably left responsible. UNLB could play a key role in these efforts, and it could be beneficial for UNLB staff to regularly travel to missions to inspect asset holdings in the field.

134. The Board recommends that the Administration establish a centralized analysing and enforcing function to perform cross-cutting analyses of missions' and services centres' property, plant and equipment and inventory holdings, to achieve economies of scale; to identify potential surplus holdings and initiate corrective action; to ensure continuing management of asset disposal; and to eliminate disadvantages for missions and services centres, such as having to bear transport costs when sharing surplus assets.

135. The Administration accepted the recommendation. It noted that the issues identified by the Board were long-standing ones that predated the decentralization of delegation of authority, and that it had planned to implement further measures to address the issues highlighted by the Board.

Persistent deficiencies in fuel management

136. In the area of fuel management, the Board continued to note various deficiencies in the missions, as follows:

(a) *Inconsistent fuel management data.* In accordance with the fuel management guideline, missions should regularly review the data in the Electronic Fuel Management System for anomalies in data entries and take action to prevent and correct errors. The Board noted that, in several missions, data in the Electronic Fuel Management System were inconsistent with the data in the CarLog System. For example, some vehicles and generators showed a zero mileage/odometer reading, even though they had been refuelled. The Board also noted multiple transactions in which more fuel had been provided than the recorded tank capacity, as well as duplicate transactions. Overall, the data indicated significant overconsumption in several missions. In some missions, the mileage data were unavailable in part owing to faulty or non-existent odometers, making it difficult to conduct fraud risk assessments on those vehicles, for example, at MINUSCA and UNISFA. At UNDOF, 18 vehicles had annual mileages but had no fuel consumption data recorded. The missions stated that abnormal data were due to the lack of training for some users on the Electronic Fuel Management System, faulty data entries and lack of dedicated analysts to review the Electronic Fuel Management System data;

(b) *Lack of analysis of excessive fuel consumption.* The Board noted that the Electronic Fuel Management System reports showed an overconsumption of fuel. At MINURSO, for example, 49 of a fleet of 156 vehicles had fuel consumption exceeding the standard fuel consumption unit by 11,608.4 litres. In addition, one generator exceeded the standard fuel consumption unit by 434.53 per cent, with total excess fuel consumption of 104,674 litres. No further analysis and investigations of the excess fuel consumptions were performed. The mission stated that, owing to COVID-19 restrictions on movement, the team sites were not visited on a regular basis. Consequently, the technicians could not check and verify the generators;

(c) *Loss of CarLog System data.* At MINURSO, the CarLog System server database was lost owing to damage to the virtual machine at the Field Technology Section network unit on 26 July 2021. As at 8 September 2021, the CarLog System backup data before December 2020 could not be recovered.

137. The Board noted similar shortcomings in its previous report. The respective recommendation remains under implementation.

138. The Board reiterates that excessive fuel consumption leads to additional costs and may indicate an elevated risk of fraud. A lack of analysis and investigation means that it may happen repeatedly and without repercussions for the parties involved, further increasing the risks of additional costs and fraud. Moreover, the Board holds that the loss and failure to recover CarLog System data was due to a lack of data backup in the Mission and should be prevented in the future.

8. Outlook

139. Given that the mandate of the current lead auditor for peacekeeping operations will end at the end of the financial year 2021/22, the Board would like to use the experience from the six-year term of its outgoing member to provide its view on areas that it assessed as particularly important for peacekeeping operations and that might require the Administration to address them in the coming years.

Results-based management and Umoja

140. Umoja was implemented in three phases. The first two phases, Umoja Foundation and Umoja Extension 1, saw the implementation of administrative processes. The third phase, Umoja Extension 2, provides, among others, the strategic planning, budgeting and performance management solution, which includes the performance monitoring module and the performance dashboard. The performance monitoring module is used for recording programme implementation and supporting performance management for the programme budget and peacekeeping budget. The performance dashboard combines strategic planning and programme performance with, among others, budget consumption. The Secretary-General estimated the total cost for implementing Umoja until 2030 to amount to more than \$1 billion.

141. In his twelfth and final progress report on the enterprise resource planning project, the Secretary-General stated that the Secretariat's reform of the regular budget, which now links the objective for each subprogramme to a set of activities and to results, had provided momentum towards strengthening results-based management (see [A/75/386](#)). He underlined that the roll-out of Umoja Extension 2 presented an opportunity for managing the Organization's programme delivery and reporting to both Member States and other stakeholders to take a step further. In December 2020, a new integrated planning, management and reporting solution to manage projects from beginning to end and across funding sources was rolled out globally. According to the Secretary-General, it enabled clear linkages between resources and results, both strategically important to communicate programmatic results and to help managers to better manage day-to-day operations. The solution would also realize Umoja's potential to manage substantive and programmatic activities, in addition to the administrative processes that it already supports.

142. However, the Secretary-General pointed out that differences between the peacekeeping operations budget and the new regular budget in relation to many areas, such as budget periods, strategic framework structures, budget classes and performance reporting methodologies, created several challenges. A concerted effort on the business side, including engagement with Member States, would be needed to reduce this divergence and improve the value of Umoja.

143. The Board welcomes the efforts of the Administration to achieve the best possible value of Umoja for the Organization. The fully implemented and integrated Umoja covers not only administrative processes, but also its strategic planning, budgeting and performance management solution, along with the integrated planning, management and reporting solution, thereby providing tools to enable Member States

and the Administration to monitor how resources are linked to programmatic results. This is an important achievement and contributes significantly to the introduction of results-based management and the further development of the United Nations towards it becoming more performance-oriented. This increased transparency of United Nations operations has the potential to add to its reputation and global acceptance. For peacekeeping operations in particular, for which the budget has faced considerable decrease over the past six years, improved visibility of what Member States receive for their contributions will be useful. To achieve this, the peacekeeping operations budget and the regular budget could be aligned to overcome the challenges in the usefulness of Umoja that the Administration has identified. The procurement and implementation of Umoja has led to a substantial financial investment, which needs to amortize. Budgets are the prerogative of the Member States; however, the Administration needs to develop proposals for Member States to enable them to decide on how to make the best use of Umoja in the best interest of the Organization.

Delegation of administrative authority and programmatic authority

144. The tenth progress report of the Secretary-General on strengthening accountability in the United Nations Secretariat ([A/75/686](#)) provided an update on the efforts made to strengthen the accountability system of the Secretariat. In it, the Secretary-General stated that internal control systems were part of the accountability system of the United Nations. He listed 16 sub-areas of the internal control system. Delegation of authority (including monitoring) and monitoring performance are two of them. While the delegation of authority from the Secretary-General, as the chief administrative officer of the United Nations, down to senior managers in the field is defined, organized and documented for administrative matters, the principal area of peacekeeping mandate implementation does not provide such organized and documented delegation. In 2019, the Under-Secretary-General for Peace Operations released the Policy on Authority, Command and Control in United Nations Peacekeeping Operations. It provides a generic distribution of responsibilities for mandate implementation for the levels below the heads of mission. The levels above the heads of mission are addressed only in broad terms. A Secretary-General's bulletin for the Department of Peace Operations, which might provide more detail on the programmatic and mandate implementation authorities of the Secretary-General, the Under-Secretary-General for Peace Operations and the heads of mission, was still not released, even almost three years after implementation of the management reform.

145. Through his management reform, the Secretary-General intended to bring the authority for decision-making closer to where results are delivered. Currently, however, this applies only to administrative matters, not to programmatic and mandate-related matters. The priority task of heads of entities is to implement the mandate of the Security Council, given that this is what they are held accountable for. Administrative and logistical support shall support mandate implementation. This support is not an end in itself but exists only to implement a mandate. The mandate comes first, and its implementation determines the volume of administrative and logistical support. The development of a formalized delegation of authority has followed the opposite order. On the administrative and logistical side of peacekeeping operations, the delegation of authority is organized, documented and monitored with a considerable amount of administrative energy. Mandate implementation, sometimes called the "substantive" side of peacekeeping, provides no such delegation of authority. Heads of mission are allowed to exercise authority on resources, but it raises the question of what the rationale is for this if they have no delegated substantive authority. It is the Board's view that the Secretary-General needs to regulate the delegation of programmatic authority for delivering on the mandate. It would further strengthen the United Nations accountability system and would be in

line with introducing results-based management after the full implementation of Umoja.

146. The Administration holds the view that the observations made in the two preceding paragraphs do not accurately reflect the responsibilities of Special Representatives of the Secretary-General for the implementation of programmatic activities. Heads of peacekeeping entities are responsible for the implementation of the mandate of their missions, which are set out in Security Council resolutions. If, from a performance management standpoint, the heads of peacekeeping entities are accountable directly to the Secretary-General through the senior managers' compacts, from an organizational management standpoint they report to the Secretary-General through the Under-Secretary-General for Peace Operations, who oversees peacekeeping operations. The Department of Peace Operations provides missions with strategic guidance and direction, in particular for the translation of mandates into programmatic frameworks. Peacekeeping operations base their budget documents and results-based budgeting frameworks on the mandate given to the missions by the Council and this strategic guidance and use those documents to translate the mandates into activities and outputs, with the programmatic framework approved by the Department. Peacekeeping missions report to the Council on the implementation of their mandates through reports of the Secretary-General, which are prepared by the missions jointly with the Department and presented to the Council by either the Under-Secretary-General for Peace Operations or the Special Representatives of the Secretary-General, and through briefings by the Special Representatives of the Secretary-General to the Council. In addition, the Special Representatives of the Secretary-General, in their annual compacts with the Secretary-General, describe how they intend to meet the programmatic objectives of their missions as outlined in Council resolutions, the strategic frameworks approved by Headquarters and the budget documents of their missions. The purpose of delegating authority from the Secretary-General over administrative matters to the Special Representatives of the Secretary-General is to ensure that they can manage their resources in the most effective way to ensure mandate implementation and that they can be held accountable for the manner in which those resources are used. Responsibility for programmatic activities has always rested with the Special Representatives of the Secretary-General, under the political and strategic guidance and direction of the Department, on behalf of the Secretary-General, and cascaded from the Special Representatives of the Secretary-General to the Deputy Special Representatives of the Secretary-General and the various functional units, with the Department providing substantive support. This responsibility for substantive activities and mandate implementation continues to rest with the Special Representatives of the Secretary-General, in keeping with the reporting and oversight through the Department, and has not been affected by the new approach to the delegation of authority for administrative matters or the reform of the peace and security pillar, which "does not change established mandates, functions or funding sources", as stated in [A/72/772](#) and approved by the General Assembly.

Strengthen the first and second lines of defence

147. The Secretary-General stressed in his seventh progress report on the accountability system in the United Nations Secretariat on placing a stronger emphasis on the "three lines of defence" model to improve the risk management systems for increased accountability ([A/72/773](#), para. 41 (c)). He stated in his tenth progress report on accountability ([A/75/686](#)) that the Administration, on the basis of the findings of the Board, faced recurring issues in areas such as property and asset management, human resources management and financial management and made every effort to take corrective action to contain those issues in order to avoid structural non-compliance. The Administration identified, among others, unclear

levels of responsibilities for compliance and monitoring, in particular at the first and second lines of defence. Consequently, it provided more detailed guidance on what, exactly, was required of people in compliance and monitoring roles, and clarity and consistency regarding how those who do not comply would be held to account.

148. The Board welcomes the introduction of the three lines of defence model for increased accountability. The model requires managers at the first line of defence and senior managers at the second line of defence to regularly monitor administrative and programmatic activities and provide immediate feedback in cases of non-compliance and malperformance. The first and second lines of defence can be effective only if exercised actively on a daily basis. Managers and senior managers need to be aware that they are accountable for making the introduction of the three lines of defence model a success.

Financing support for peacekeeping operations

149. The peacekeeping missions receive support from RSCE and GSC and from various departments at Headquarters. In 2015, under the pre-management reform regime, the General Assembly granted RSCE “operational and managerial independence” and a separate budget (resolution [69/307](#), para. 62). GSC also determines its resource requirements through its own budget. The Department of Operational Support, the Department of Management Strategy, Policy and Compliance, the Department of Peace Operations and other departments at Headquarters do not have separate budgets. Their resource requirements to support peacekeeping operations are determined through the support account budget. Apart from the support account, the departments at Headquarters also receive funding from the regular budget.

150. Given that the management reform came into effect in 2019, the organizational set-up of the peacekeeping support activities changed. Both RSCE and GSC were not considered as entities under the revised delegation of authority framework. Their head of entity is the Under-Secretary-General for Operational Support. In addition, the mandate of the newly established departments increased in scope. For example, the Department of Operational Support and the Department of Management Strategy, Policy and Compliance “will service and support the entire Secretariat – at Headquarters, the regional commissions and offices away from Headquarters and in the field” ([A/72/492/Add.2](#), summary).

151. The Board highlighted that development and recommended that the Administration propose new financing arrangements to reflect the changes ([A/74/5 \(Vol. II\)](#), paras. 233–244). In March 2020, the Administration proposed a new funding model to share costs between regular and peacekeeping budgets for the Department of Operational Support and the Department of Management Strategy, Policy and Compliance based on the overall staffing. The Advisory Committee on Administrative and Budgetary Questions reviewed the new model ([A/74/7/Add.32](#)) and was not convinced that it had achieved its stated objectives. The Advisory Committee questioned the exclusion of certain departments and argued that other methods for determining the cost-sharing, including a workload analysis, merited further consideration. The Board recommended that the Administration assess other methods, such as a workload analysis, to determine the apportionment of costs and to include all other entities co-financed by the support account in the funding model ([A/75/5 \(Vol. II\)](#), paras. 77–84).

152. The General Assembly took no action on the proposed funding model. While the funding model proposed by the Administration did not cover all aspects of the Board’s recommendations, the Board considers them to have been overtaken by events. Nevertheless, the Board’s observations remain valid. The Administration should reconsider them when developing a new funding model.

C. Disclosures by management

1. Write-off of cash, receivables and property

153. The Administration reported to the Board that property amounting to \$62.1 million (\$77.3 million in 2019/20) had been written off during 2020/21. Of those write-offs, \$9.3 million related to equipment and \$52.8 million related to real estate assets. The main reasons for equipment write-offs were surplus (\$5.3 million) and normal wear and tear, losses and other (\$2.2 million). The main reasons for real estate write-offs were uneconomical to recover and other (\$34.4 million). The Administration also reported that losses amounting to \$3.6 million (\$0.7 million in 2019/20) had been written off in respect of cash and receivables because they were considered irrecoverable.

2. Ex gratia payments

154. The Administration reported to the Board that 33 ex gratia payments, amounting to \$35,569, had been made.

3. Cases of fraud and presumptive fraud

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

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

157. During the period under review, the Office of the Controller reported 13 cases of fraud to the Board, involving an amount of \$0.24 million, as well as 111 cases of presumptive fraud, involving an amount of \$0.76 million. Since the financial year 2018/19, the cases of fraud and presumptive fraud are shown separately. The previous years' figures are shown in table II.4. Comparing those figures is challenging, given that they depend on fraud detection and the amount involved is often reported as unknown. In accordance with the Financial Regulations and Rules of the United Nations, the Board is obliged to include a list of cases of fraud and presumptive fraud in its report, as provided by the Administration.

Table II.4
Cases of fraud and presumptive fraud reported in peacekeeping operations

<i>Period ended</i>	<i>Fraud</i>		<i>Presumptive fraud</i>	
	<i>Number of cases</i>	<i>Amount (millions of United States dollars)</i>	<i>Number of cases</i>	<i>Amount (millions of United States dollars)</i>
30 June 2021	13	0.24	111	0.76
30 June 2020	23	0.08	100	2.86
30 June 2019	26	0.08	102	12.74
30 June 2018	8	0.21	107	16.05
30 June 2017	11	0.02	28	9.38

Source: Information provided by management.

D. Acknowledgement

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

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

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

(Signed) Hou Kai
 Auditor General of the People's Republic of China

27 January 2022

Annex I

Missions audited

Active peacekeeping operations

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

Special-purpose accounts

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

Closed peacekeeping operations

1. United Nations Operation in Burundi (ONUB), closed on 31 December 2006
2. United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL), closed on 31 December 2005
3. United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISSET), closed on 20 May 2005
4. United Nations Iraq-Kuwait Observation Mission (UNIKOM), closed on 6 October 2003
5. United Nations Mission in Bosnia and Herzegovina (UNMIBH), closed on 30 June 2003
6. United Nations Mission of Observers in Tajikistan (UNMOT), closed on 15 May 2000

7. United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH), closed on 15 March 2000
8. United Nations Mission in the Central African Republic (MINURCA), closed on 15 February 2000
9. United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM), closed on 26 February 1999
10. United Nations Preventive Deployment Force (UNPREDEP), closed on 28 February 1999
11. United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and United Nations Civilian Police Support Group (UNPSG), closed on 15 October and 30 November 1998
12. United Nations Observer Mission in Liberia (UNOMIL), closed on 30 September 1997
13. United Nations Peace Forces (UNPF), closed on 30 June 1997
14. Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA), closed on 31 May 1997
15. United Nations Mission in Haiti (UNMIH), closed on 30 June 1996
16. United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR), closed on 19 April 1996
17. United Nations Observer Mission in El Salvador (ONUSAL), closed on 31 May 1995
18. United Nations Operation in Mozambique (ONUMOZ), closed on 31 March 1995
19. United Nations Operation in Somalia (UNOSOM), closed on 3 March 1995
20. United Nations Military Liaison Team in Cambodia (UNMLT), closed on 15 November 1994
21. United Nations Transitional Authority in Cambodia (UNTAC), closed on 5 May 1994
22. United Nations Transition Assistance Group (UNTAG), closed on 21 March 1990
23. United Nations Iran-Iraq Military Observer Group (UNIIMOG), closed on 31 March 1991
24. Special Account for the United Nations Emergency Force (UNEF), closed on 30 June 1967
25. Ad Hoc Account for the United Nations Operation in the Congo (ONUC), closed on 30 June 1964
26. United Nations Mission in Ethiopia and Eritrea (UNMEE), closed on 31 July 2008
27. United Nations Observer Mission in Georgia (UNOMIG), closed on 5 June 2009
28. United Nations Mission in the Central African Republic and Chad (MINURCAT), closed on 31 December 2010
29. United Nations Mission in the Sudan (UNMIS), closed on 9 July 2011

30. United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS), closed on 19 August 2012
31. United Nations Integrated Mission in Timor-Leste (UNMIT), closed on 31 December 2012
32. United Nations Operation in Côte d'Ivoire (UNOCI), closed on 30 June 2017
33. United Nations Mission in Liberia (UNMIL), closed on 30 March 2018
34. United Nations Mission for Justice Support in Haiti (MINUJUSTH)/United Nations Stabilization Mission in Haiti (MINUSTAH), closed on 15 October 2019¹

¹ MINUSTAH transformed into MINUJUSTH on 16 October 2017.

Annex II

Status of implementation of the outstanding recommendations of the Board as at 30 June 2021

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

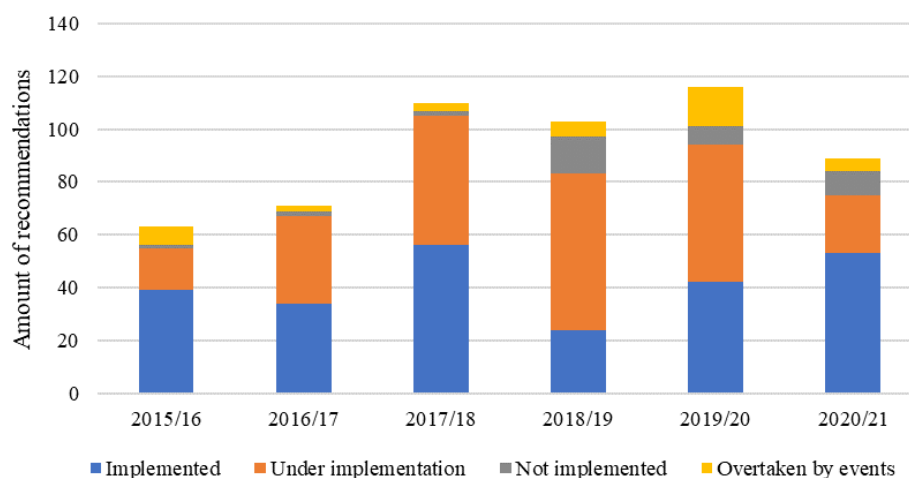
Status of implementation of recommendations as at 30 June 2021

Year	Total	Fully implemented	Under implementation	Not implemented	Overtaken by events
2015/16	55	48	1	—	6
2016/17	75	66	0	1	8
2017/18	52	31	7	3	11
2018/19	43	33	5	3	2
2019/20	30	16	9	2	3
Total	255	194	22	9	30

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

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

Overview of implementation rate of recommendations, 2015/16 to 2020/21



Source: Reports of the Board of Auditors on United Nations peacekeeping operations from 2015/16 to 2020/21.

2. Between the financial years 2015/16 and 2020/21, the average implementation rate was 47 per cent. During the same period, recommendations under implementation comprised 40 per cent of the total number of recommendations; recommendations not implemented comprised 6 per cent; and recommendations overtaken by events comprised 7 per cent.

3. Between the financial years 2015/16 and 2019/20, the Board issued 255 recommendations. Ten new recommendations were issued in the financial year 2020/21.

4. Between the financial years 2015/16 and 2020/21, the Board noted that 24 recommendations remained under implementation for more than three years.

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Overtaken implemented	Overtaken by events
A/71/5 (Vol. II), chap. II, for the period ended 30 June 2016							
Financial reporting							
1. The Board reiterates its recommendation that the Administration review the useful lives of fully depreciated assets that are still in use.	para. 40	The Administration received the report of the Task Force on Accounting Standards of the United Nations System Chief Executives Board for Coordination on 14 April 2021, and the results are being used in conjunction with analyses of data for the current useful lives of active and disposed assets to determine where there is scope to improve the useful lives, where applicable. The Administration is in the process of reviewing these preliminary data and reaching out to the relevant stakeholders for their input in the policy guidance.	The Board considers the recommendation as under implementation.		X		
2. The Board recommends that the Department of Management and the Department of Field Support settle receivables from United Nations related party entities within 12 months.	para. 48	The Administration provided confirmation on the settlement of receivables by the relevant missions.	The Board considers the recommendation as implemented.	X			
Subtotal, 2 recommendations (percentage)				1 (50)	1 (50)	0 (0)	0 (0)

A/72/5 (Vol. II), chap. II, for the period ended 30 June 2017

Welfare and recreation committees

1. The Board recommends that the Administration revise its policy and standard operating procedure on welfare and recreation committees and issue clear guidance in the areas of workplans, compliance reports, cash management and monitoring of revenues.	para. 88	A revised standard operating procedure was issued in January 2021.	The Board considers the recommendation as implemented.	X			
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Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
Air operations							
2. The Board recommends that the Department of Peacekeeping Operations and the Department of Political Affairs be put in charge of determining and keeping updated missions' current aircraft demands within budget limitations, and request missions to draft an air operations concept in close cooperation with the Department of Field Support. This air operations concept should include commercial and military aircraft as well as unmanned aerial systems. It should be based on the mission concept and the mission support concept as well as the military and the police concepts of operations. The Statements of Unit Requirements derived from the mentioned air operations concepts should be realistic and in accordance with the capabilities of aviation military units of that size. The Department of Field Support should be involved in the Statement of Unit Requirements process.	para. 113	The air operations concept, part of the missions' aviation budget, is drafted annually by United Nations field missions and submitted with the missions' budget proposal. The Aviation Manual, updated and promulgated in February 2021, provides clear guidance on the format and preparation of the air operations concept.	The Administration provided the 2021 Aviation Manual and the air operation concepts of various missions. The Board considers the recommendation as implemented.	X			
3. The Board recommends that the Administration analyse non-United Nations passenger requirements authorized by Security Council mandates. Non-eligible non-United Nations passengers must not be taken into account when calculating overall air transport capacity need.	para. 144	The Administration promulgated the "Transportation of Non-United Nations Peace Operations Passengers on United Nations Peace Operations-Provided Aviation Assets Policy and Guidelines". By the implementation of paragraph 15 of this policy, the Organization will review and continue to ensure that non-eligible non-United Nations passengers are not taken into account when calculating overall air transport capacity need.	The Board considers this recommendation as implemented.	X			

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification	
				Implemented	Under implementation
Management of the Regional Service Centre in Entebbe					
4. The Board recommends that the Department of Field Support, together with the Regional Service Centre in Entebbe, review the objective of the key performance indicators and redefine the indicators to provide an effective management tool.	para. 208	The Administration introduced new key performance indicator reports that break down the processes by steps and by actors, while still maintaining the overall end-to-end perspective.	The Board considers the recommendation as implemented.	X	
Procurement					
5. The Board recommends that the Administration analyse the landed costs and implications of the vendor's obligation to deliver goods for the major types of commodities and develop guidance for solicitations regarding the determination of delivery terms/international commercial terms that result in best value for money, taking into account the total costs of goods, including the cost of freight, regardless of whether freight is included in the price of goods or contracted separately.	para. 223	The Department of Operational Support stated that the Procurement Division had hired a consultant who is an expert in international commercial terms at the International Chamber of Commerce and who was scheduled to provide training on and a review of the guidance document in the fourth quarter of 2021.	The Administration has provided supporting documents (e.g., draft procurement guidance on use of international commercial terms). The Board considers this recommendation as implemented.	X	
6. The Board recommends that the Administration provide clear guidance on recording the costs of freight forwarding services and terms of agreements in Umoja and link those costs to the procured items.	para. 229	The Department of Operational Support stated that the Office of Supply Chain Management had already developed a freight forwarding category strategy and sent it to client entities. As part of the strategy, the Office has established global freight forwarding system contracts. As at 8 September 2021, 7 of 10 global freight forwarding contracts had been signed. As a result, contracts for the transportation of goods are more standardized and will be able to provide more cost information for a large number of shipping routes. The implementation	The Administration has provided supporting documents (e.g., seven signed freight forwarding systems contracts). The Board considers this recommendation as implemented.	X	

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification		
				Implemented	Under implementation	Not Overtaken by events
		of freight forwarding system contracts, as well as the full implementation of the Umoja transportation management module, will provide improved visibility for costs of freight forwarding services.				
Travel management						
7. The Board recommends that the Administration, together with the missions and service centres, review the advance purchase policy and evaluate how best prices for peacekeeping operations travel can be achieved.	para. 308	The Administration provided its analysis and was undertaking a review of the non-compliance categories when air tickets were not processed and ticketed at least 16 days in advance of the travel date.	The Board considers this recommendation as implemented.	X		
8. The Board recommends that the Administration analyse how the rules for travel and their implementation in Umoja can be aligned further, taking into account the need to clarify accountabilities.	para. 316	The Administration performed a survey and provided an analysis of how it planned to align the provisioning of Umoja roles with the travel rules.	The Board considers this recommendation as implemented.	X		
Liquidation of the United Nations Operation in Côte d'Ivoire						
9. The Board recommends that the Administration consider keeping staff members available until after the liquidation date to finalize outstanding tasks.	para. 464	The Administration stated that it had taken various measures at the operational level to mitigate the issue. Please refer to paragraph 97 of A/76/5 (Vol. II) for details.	The Board considers this recommendation as not implemented. Please refer to paragraphs 93 and 99 of A/76/5 (Vol. II) for details.			X
Mission-specific findings						
10. The Board recommends that the Administration, together with MINUSCA, analyse the use of prefabricated buildings to avoid the accommodation of contingents in tents.	para. 497	The Administration stated that the Mission now provided 100 per cent standard accommodation to contingents and documented this.	The Board considers this recommendation as implemented.	X		
11. The Board recommends that the Administration liaise with UNISFA and ask the Government of the Sudan to permit usage of the Athony airfield.	para. 500	The Administration stated that it had demonstrated over the years its constant outreach efforts to the Sudanese authorities to resolve the	The Board considers it apparent that the Sudanese authorities will not permit usage of the airfield and that further efforts are futile.			X

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
		issue and provided documents to that effect.	The Board considers this recommendation as overtaken by events.				
12. The Board recommends that the Administration act at a global level to prevent further acts of fraud as a result of manipulating Umoja leave time data.	para. 510	The Administration stated that the new danger pay solution had been implemented in August 2021, whereby the automatic (or advance) payment of danger pay stopped. Staff members must now complete a form in Umoja, after the month is over, indicating which days they were in the danger pay location. They would certify the form and submit it electronically for payment of the actual entitlement, eliminating the need for future recoveries.	The Board considers this recommendation as implemented.	X			
Subtotal, 12 recommendations (percentage)				10 (84)	0 (0)	1 (8)	1 (8)

A/73/5 (Vol. II), chap. II, for the period ended 30 June 2018

Budget and financial reporting

1. The Board recommends that the Administration ensure accountable oversight of the management of material master data to achieve improved and harmonized material master data in the areas of product IDs, units of measurement and material descriptions, with a view to accurately reflecting assets in the financial statements and meeting supply chain requirements.	para. 37	The classification of category management hierarchies for all active product identification documents was completed as planned by the end of December 2020. The remaining phases of the material master transformation project remain under implementation. Completion of the project will result in improved and harmonized material master data.	The Board considers this recommendation as under implementation.	X
2. The Board recommends that the Administration issue comprehensive guidance on cost recoveries, including with regard to responsibilities, agreements and contractual relationships, budgeting, pricing, recovering costs and processing in Umoja.	para. 70	A comprehensive policy document is currently being drafted by the Office of Programme Planning, Finance and Budget, with a revised target date of 31 December 2021 for issuance.	The Board considers this recommendation as under implementation.	X

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification		
				Implemented	Under implementation	Not Overtaken by events
3. The Board recommends that the Administration issue guidance on the appropriate usage of funds commitments and monitor compliance in that regard.	para. 74	The Administration is currently drafting guidance on the usage of fund commitments. The guidance is expected to be finalized in the fourth quarter of 2021.	The Board considers this recommendation as under implementation.		X	
4. The Board recommends that the missions, service centres and Headquarters each prepare a comprehensive risk-control matrix in the area of financial reporting.	para. 83	The Administration has documented the internal controls related to financial reporting through comprehensive risk-control matrices. The risk-control matrices have been provided to the peacekeeping entities, which customized them accordingly by 31 December 2020.	The Board considers this recommendation as implemented.	X		

Meeting the missions' needs – force generation and reimbursement

5. The Board recommends that the Administration adopt the draft force generation manual without further delay and issue guidelines which cover the entire process of force generation. The Administration should designate an accountable and responsible process owner, define the roles of individual staff, establish mechanisms such as regular staff rotation to address any conflict of interest and regulate the competitive selection of contributing countries.	para. 142	The Administration provided the “United Nations manual for the generation and deployment of military and formed police units to peace operations”, which was published and has been in effect since May 2021.	The Board considers this recommendation as implemented.	X		
6. The Board recommends that the Administration implement the force generation process in Umoja.	para. 153	The Administration stated that the Statement of Unit Requirements and memorandum of understanding modules that form part of the force generation process had been implemented. The enhancements to verification and reporting in the field missions, the memorandum of understanding module, uniformed strength reporting and claims and calculation were ongoing. The Uniformed Capabilities Support	The Board considers this recommendation as not implemented. Please see paragraph 22 of A/76/5 (Vol. II) for details.			X

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification	
				Implemented	Under implementation Not Overtaken by events
		Division was also engaged in the deployment of a Member States portal. The Division, in coordination with the Office of Information and Communications Technology, continued to review already deployed modules in the Uniformed Capabilities Management System and find opportunities for improvements in the processes, with the aim of identifying the areas in which the Organization would benefit.			
Meeting the missions' needs – capability gaps					
Workplans and guidelines					
7. The Board recommends that the Administration review the objectives, processes and staff requirements of integrated operational teams, considering the upcoming new peace and security structure.	para. 183	The Administration stated in the financial year 2019/20 that the implementation of the recommendation would be prioritized in 2021. In the financial year 2020/21, the Administration stated that the review of the objectives, processes and staff requirements of the integrated operational teams had been delayed because the staff responsible were required to support the development of a new departmental plan to operationalize the Action for Peacekeeping Plus strategy, by translating its seven priority areas into a focused set of deliverables, targeting measurable results.	The Administration provided neither documentation nor any other indication of implementation. The Board considers this recommendation as not implemented.		X
8. The Board further recommends updating the integrated operational teams policy based on this review.	para. 185	The Administration stated in the financial year 2019/20 that the implementation of the recommendation would be prioritized in 2021. In the financial year 2020/21, the Administration stated that the review of the objectives, processes and staff	The Administration provided neither documentation nor any other indication of implementation. The Board considers this recommendation as not implemented.		X

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification		
				Implemented	Under implementation	Not Overtaken by events
		requirements of the integrated operational teams had been delayed because the staff responsible were required to support the development of a new departmental plan to operationalize the Action for Peacekeeping Plus strategy, by translating its seven priority areas into a focused set of deliverables, targeting measurable results.				
Management of contingent-owned equipment and troop-strength reporting						
9. The Board recommends that the Administration analyse the direct and indirect costs associated with the disposal of unserviceable and expired ammunition from troop- and/or police-contributing countries and inform Members States accordingly.	para. 209	The recommendation is in the process of implementation. The Uniformed Capabilities Support Division is dealing with competing priorities as a result of the coronavirus disease (COVID-19) pandemic, which has made it necessary to shift focus and reallocate resources accordingly. In this respect, the implementation date of the study has been revised to June 2022.	The Board considers this recommendation as under implementation.		X	
10. The Board recommends that the Administration conduct a comprehensive review of the Operational Ammunition Expenditure Certificates process, with due regard to controls ensuring accuracy, and subsequently rectify deficiencies identified.	para. 217	The Administration stated that the recommendation had been implemented. The Logistics Division is responsible for verifying that the Operational Ammunition Expenditure Certificates are duly filled and supported and that prices claimed by the Member States for expended or the disposal of ammunition are reasonable, as well as for maintaining a central repository for the Certificates. These responsibilities are included in the expenditure of ammunition and explosives on operations (revision 1) guidelines dated 1 September 2004. In this regard, the Life Support and Transport Section of Sourcing Support Service/ Logistics Division developed and implemented a new database in	The Board considers this recommendation as implemented.	X		

<i>Summary of recommendations</i>	<i>Reference</i>	<i>Management response in brief</i>	<i>Board's assessment</i>	<i>Status after verification</i>			
				<i>Implemented</i>	<i>Under implementation</i>	<i>Not implemented</i>	<i>Overtaken by events</i>
		Microsoft SharePoint to store and share all information related to ammunition and explosives reimbursement claims. The database is organized by field mission, troop-contributing country and claim number.					
11. The Board recommends that the Administration establish a compliance control to ensure that its contingent-owned equipment inspectors properly conduct arrival inspections for ammunition and explosives, as specified in the guidelines for the field verification and control of contingent-owned equipment and management of memorandum of understanding.	para. 226	The Administration stated that the recommendation had been implemented. In line with Department of Operational Support guidelines on field verification and control of contingent-owned equipment and management of the memorandum of understanding, troop- and police-contributing countries are entitled to claims for reimbursement for ammunition or explosives expended for operational purposes, used for specifically authorized training beyond accepted United Nations readiness standards, which becomes unserviceable or reaches its expiry date in the mission area, and for ammunition or explosives used with certain categories of major equipment weapon systems. All ammunition and explosives deployed to a mission are therefore to be inspected and verified during the arrival inspection. An inventory of the ammunition and explosives held by the unit, specifying item description, type, quantity and date of expiration, should be prepared. The inventory duly signed by the responsible unit representatives, contingent-owned equipment inspector, Supply Section representative and ammunition technical officer should be attached to the arrival inspection major equipment verification report	The Board considers this recommendation as implemented.	X			

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
		submitted to United Nations Headquarters for further action. The adequacy of the contingent's storage arrangements for ammunition and explosives should be assessed and reported in the verification report. It is re-emphasized that verification of ammunition is the responsibility of ammunition technical officers.					
12. The Board recommends that the Administration review all inventories of ammunition and explosives held by military/police units in missions for compliance with the guidelines for the field verification and control of contingent-owned equipment and management of memorandum of understanding, and update missing information in particular on the date of expiration.	para. 227	The Administration stated that the recommendation had been implemented. In accordance with the code cable CC-DOS-DPO-DPPA-2020-00186 dated 27 April 2020, field missions were requested to calculate the operational ammunition stocks required for each deployed unit in accordance with the levels stipulated in the 2020 United Nations manual on ammunition management and assess whether the units have shortfalls or excesses and take necessary action. The newly established weapons and ammunition advisory boards will be responsible for updating the inventory of their relevant missions. UNMISS is setting an example. It has established its weapons and ammunition advisory board and made significant progress in the area. After reviewing ammunition inventories, since September 2020 UMISS has been working on the disposal of unserviceable ammunition and on replenishment, in accordance with the manual on ammunition management. In addition, field missions were requested by the Uniformed Capabilities Support Division to strengthen the process of verification and reporting of contingent-owned ammunition, and to attach to the major	The Board considers this recommendation as implemented.	X			

<i>Summary of recommendations</i>	<i>Reference</i>	<i>Management response in brief</i>	<i>Board's assessment</i>	<i>Status after verification</i>			
				<i>Implemented</i>	<i>Under implementation</i>	<i>Not implemented</i>	<i>Overtaken by events</i>
		equipment arrival verification report a duly verified inventory of ammunition and explosives deployed with each formed unit, specifying item description, type, quantity and date of expiry. The same process was requested for the replenishment of ammunition and explosives by attaching the inventory to the verification report for the quarter in question.					
13. The Board recommends that the Administration develop guidance for missions regarding standardized internal controls, verification procedures and related tests to be performed by each mission stakeholder to ensure accurate troop-strength reporting and subsequently monitor the actual implementation in all missions.	para. 254	The Administration stated that the recommendation had been implemented. As noted in the eleventh progress report of the Secretary-General on the enterprise resource planning project (A/74/478, para. 55) and with due consideration to the Secretary-General's management reform, which established the Uniformed Capabilities Support Division at the start of 2019, the plan was revised to allow for the transition of ownership of troop cost reimbursement payment processing from the Peacekeeping Financing Division to the Uniformed Capabilities Support Division, to ensure business continuity, and capacity-building within the Uniformed Capabilities Support Division to make the transition to the new solution for contingent-owned equipment claims and reimbursements that was deployed in August 2019. The Uniformed Capabilities Management System functionality for uniformed strength reporting and personnel cost reimbursement was technically delivered at the end of December 2020 and deployed to special political missions, peacekeeping missions and Headquarters entities in January 2021. In terms of guidance, missions have	The Board considers this recommendation as implemented.	X			

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification		
				Implemented	Under implementation	Not Overtaken by events
		been requested to develop their own standard operating procedures. Headquarters entities such as the Office of Military Affairs and Police Division in the Department of Peace Operations, and the Uniformed Capabilities Support Division were also requested to prepare or update relevant guidance on strength reporting procedures to complement the deployment of the new Uniformed Capabilities Management System functionality. The Administration added that missions were recommended to keep their internal procedure document updated. While the management reform accorded full delegation of authority to missions, they were responsible for the development of mission-level standard operating procedures to reflect their own business processes. It also applies to the uniformed strength reporting. Headquarters provided training on the uniformed strength reporting process in the Uniformed Capabilities Management System solution, so that the missions are able to generate and submit their certified uniformed strength reporting.				
Legal framework and processes						
14. The Board recommends that the Administration take stock of its policy framework and business processes, and analyse how these can be aligned and simplified to improve transparency and accountability. The Administration should use the SAP software's standard functionalities to the best possible extent and avoid customizing Umoja.	para. 297	A comprehensive policy simplification project has been under way since 2018, comprising the review of some 600 policies across the regulatory framework and resulting in the abolishment of more than 130 of them. Customization of standard SAP functionalities is undertaken as required and, on the basis of A/62/510/Rev.1 , kept to a minimum to avoid unnecessary costs.	The Board considers this recommendation as implemented.	X		

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
Supply chain management							
15. The Board recommends that the Administration guide and oversee mission implementation of the instructions on property management, and take action in case of non-compliance. This includes ensuring the alignment of functions, Umoja roles and (sub)delegations of authority, and the appropriate composition of the Local Property Survey Board.	para. 335	The Business Transformation and Accountability Division has included in the expanded set of key performance indicators an indicator to ensure that the subdelegations are issued only to qualified United Nations officials. The expanded set of key performance indicators was finalized in the fourth quarter 2020 and will be rolled out in 2021. The Administration also shared a draft of the administration instruction on Property Survey Boards that will define the purpose, role, functions and composition of the Local Property Survey Boards, as well as the monitoring of them by the Headquarters Property Survey Board.	The Board considers this recommendation as implemented.	X			
Peacekeeping procurement							
16. The Board recommends that the Administration review its vendor management, with due regard to good common industry standards, and subsequently assign clear responsibilities for the prioritized rectification of deficiencies identified.	para. 360	The Department of Operational Support stated the Vendor Registration Office of Enabling and Outreach Service has recruited a consulting firm to carry out the market research and analysis of the aviation industry. With regard to the other categories, it continues to liaise with respective category management focal points, based on strategy papers, to review and discuss vendor management of each category where the Vendor Registration Office of Enabling and Outreach Service may contribute by reviewing vendor evaluation criteria to conduct outreach events to increase the number of vendors.	The Administration has provided supporting documents regarding the vendor management review. The Board considers this recommendation as implemented.	X			

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
17. The Board recommends that the Administration consider publishing tenders for goods and services instead of solely publishing the request for expression of interest.	para. 375	The Department of Operational Support stated that the recommendation was in the process of implementation. The implementation of the vendor interface between the United Nations Global Marketplace and SAP Ariba was delayed owing to technical issues and resource restraints. At that time, the analysis of publishing all solicitations or an increased number of solicitations will be further analysed. The new system offers solutions that are being looked at and will enhance competition within the procurement process.	The Board acknowledges that the Administration is heading in the right direction regarding its recommendation. Given that the analysis of publishing all solicitations or an increased number of solicitations remains in progress, the Board considers the recommendation as under implementation.		X		
Human resources							
18. The Board recommends that the Administration amend the policy for rosters with the objective to facilitate roster-building, management and data cleansing.	para. 407	The Administration stated that the issue of the staff selection system, including rosters, was under discussion in the Staff-Management Committee. Following those discussions, changes to the policy and operational matters related to roster management and purging would be addressed in the fourth quarter of 2022.	The Administration did not amend the roster policy. The Board considers this recommendation as under implementation.		X		
19. The Board recommends that the Administration review the recruitment process to increase transparency and simplify and shorten the procedure.	para. 417	The Administration stated that, since the recommendation was made in 2018, it had taken a number of steps to shorten the recruitment timeline, including by introducing a replacement for the personal history profiles and adding in the new "job fit" questionnaire in Inspira. Discussions were ongoing.	The Board holds that roster selection is not transparent because it is still not sufficiently regulated. The Board considers this recommendation as under implementation.		X		
Subtotal, 19 recommendations (percentage)				9 (47)	7 (37)	3 (16)	0 (0)

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification	
				Implemented	Under implementation
A/74/5 (Vol. II), chap. II, for the period ended 30 June 2019					
Budget and finance					
1. The Board recommends that the Administration correct erroneous staff service and participation data which it has already forwarded to the actuary for the valuation of the after-service health insurance liability, and correct the employee benefits liabilities in the financial statements.	para. 49	The Administration performs a project to import data from legacy systems into Umoja in order to capture more accurately the eligible participation periods of active staff. The Administration will also use system-wide shared databases on staff enrolled in eligible health plans in other organizations prior to employment with the United Nations to cross check the eligibility periods.	The Board considers the recommendation as under implementation.		X
2. The Board recommends that the Administration strengthen internal controls to prevent potential fraud related to reimbursements for residential security measures, and scrutinize security companies as well as the pricing of security services.	para. 57	The Secretariat has completed documenting activity-level controls through the use of risk control matrices, including the internal controls related to the reimbursement of residential security measures.	The Board considers the recommendation as implemented.	X	
3. The Board recommends that the Administration prevent incorrect settling-in and relocation grant payments by establishing internal controls, especially with regard to the duration of the respective assignments.	para. 70	The Secretariat has completed documenting activity-level controls through the use of risk control matrices, including the internal controls related to the settling-in and relocation grants.	The Board considers the recommendation as implemented.	X	
4. The Board recommends that the Administration change the danger pay allowance process to ensure that every absence of staff leads to a danger pay adjustment.	para. 77	The new danger pay solution was implemented in August 2021, whereby the automatic (or advance) payment of danger pay stopped. Staff members must now complete a form in Umoja, after the month is over, indicating which days they were in the danger pay location. They will certify the form and submit it electronically for payment of the actual entitlement, eliminating the need for future recoveries.	The Board considers the recommendation as implemented.	X	

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification	
				Implemented	Under implementation
5. The Board recommends that the Administration strengthen internal controls to ensure appropriate dependency allowance payments by using Umoja and United Nations systems-wide data.	para. 83	The Administration stated that all staff members who claim dependency benefits were required to provide details on all dependants for whom they were claiming dependency. Whenever a change in dependency status is requested by a staff member, the human resources partner checks documents provided by the staff member before taking action in Umoja. The Administration only performs monitoring on the basis of information that staff members provide, pursuant to the administrative instruction on dependency status and dependency benefits (ST/AI/2018/6, paras. 1.11–1.12 (Obligation to report changes) and 1.13 (Self-certification)).	The Administration did not provide the requested documents. The Board considers the recommendation as under implementation.		X
Military component					
6. The Board recommends that the Administration define minimum basic military skills which every United Nations soldier must have before deployment. In addition, it needs to specify which further skills soldiers of different types of units must have. These requirements should apply to all missions and be evaluated according to standardized criteria.	para. 109	The Administration stated and documented having defined minimum basic military skills in accordance with the recommendation of the Board, namely, day firing, night firing, buddy first aid and navigation. These prerequisites, which apply to all peacekeepers, are evaluated prior to deployment during military skills validation. The Military Performance Evaluation Team has also developed and rolled out specific functions. A new evaluation methodology and tool – the military performance evaluation tool – has been rolled out to the missions since June 2021.	The Board considers this recommendation as implemented.	X	

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
7. The Board recommends that the Administration give the military performance evaluation task force a higher priority and consequently reallocate posts to it so it can participate in every initial predeployment visit and participate in at least one out of four troop rotation predeployment visits.	para. 116	The Administration stated and documented that the military performance evaluation task force was established as part of the Office of Military Affairs, in accordance with General Assembly resolution 75/293 .	The Board considers this recommendation as implemented.	X			
8. The Board recommends that the Administration consult with troop-contributing countries to reconsider the deployment of a unit if the military performance evaluation task force identifies a lack of predefined basic military skills during predeployment visits.	para. 117	The Administration stated that the process for predeployment visits had been implemented in line with the integrated performance policy and accountability framework and the operational readiness assurance and performance improvement policy. Military units with performance shortfalls identified in the mission would be validated during a predeployment visit conducted for the next rotation of the contingent. In 2020, one unit with identified shortfalls was not allowed to deploy until all remedial measures and improvement recommendations had been implemented.	The Board considers this recommendation as implemented.	X			
9. The Board recommends that the Administration deploy the maximum possible number of troops to protect civilians when demanded by the mandate.	para. 131	The Administration stated that the Department of Peace Operations worked with missions to maintain accurate assessments of capabilities and capacities of military components and consider the following reconfigurations: quick-reaction and mobility capabilities; the ability to function in relation to the operational environment; and the ability to plan and execute all types of military operations in support of the mandate.	The Board considers this recommendation as implemented.	X			

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification		
				Implemented	Under implementation	Not Overtaken by events
10. The Board recommends that the Administration support missions in ensuring that they have the units and equipment they need.	para. 141	The Administration stated that it continued to actively support missions in ensuring that they had the units and equipment they need. That commitment had been further demonstrated during the COVID-19 pandemic through the mechanisms put in place to ensure that necessary capabilities in units and equipment could be retained at maximum level, notwithstanding the crisis. Underperforming units were usually cautioned to improve their performance through the Force Commander directives. In addition, a mechanism had been put in place to facilitate timeline-based feedback.	The Board considers this recommendation as implemented.	X		
Administration of troop contributions						
11. The Board recommends that the Administration develop a uniformed capabilities management users' manual for missions and provide training.	para. 167	The Administration stated that the recommendation had been implemented. Field mission staff were heavily involved in developing the field requirements and the deployment of the uniformed strength reports, formally known as troop strength reports. Designated field missions, military staff and civilian focal points were fully trained in the system early in January 2021. Training materials were shared with all field missions through email correspondence and made available through a Microsoft Teams channel. During training and testing of the functionality, it was recommended that the missions draft mission-specific guidance on uniformed strength reporting. In addition, civilian focal points have been designated to provide continuity and to assist newly deployed force headquarters staff, who rotate on	The Board considers this recommendation as implemented.	X		

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification	
				Implemented	Under implementation Not Overtaken by events
		a frequent basis. Those civilian focal points received additional training so that they could train and assist newcomers. Field missions were also informed of who would remain their main point of contact in the Uniformed Capabilities Support Division and Department of Peace Operations so that they would be able to raise their concerns or request assistance in uniformed strength reporting in the Uniformed Capabilities Management System. With regard to a user manual, each mission is to develop its own mission-specific standard operating procedures.			
Comprehensive planning and performance assessment system					
12. The Board recommends that the Administration develop a generic mission strategic planning cell structure, representing key mandate implementation staff and possibly the resident coordinator.	para. 189	The Administration stated that, on the basis of the review of planning structures and capacity in peacekeeping operations, a report had been completed, including recommendations on a generic mission strategic planning cell structure. As part of the implementation of the report's recommendations, the Administration included, in guidance to field missions on priorities to guide the development of 2022/23 budget submissions, the resourcing and structuring of their planning cells.	The Board considers this recommendation as implemented.	X	
United Nations reforms					
13. The Board recommends that the Administration extend the delegation of authority portals' functionalities to specify and limit subdelegations to ensure that the staff member who	para. 202	Discussion of related enhancements have been initiated by the Business Transformation and Accountability Division and the Office of Information and Communications Technology. The	The Board considers the recommendation as under implementation.	X	

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
receives subdelegations is aware of the scope.		final release is dependent on the quarterly deployment schedule and on the finalization of the revised delegation of authority bulletin of the Secretary-General. Therefore, the target date has been changed to March 2022.					
14. The Board recommends that Headquarters and missions conduct a comprehensive review of roles assigned in Umoja to ensure that the Umoja roles provisioned match the latest stipulations of the Umoja roles guide/security liaison officer workbook, the active staff list and the authorities delegated.	para. 216	The Business Transformation and Accountability Division has completed the review of the Umoja roles requiring delegations and has approached policy owners for their decisions. Monitoring reports will be sent to entities on a quarterly basis to address potential issues.	The Board considers the recommendation as implemented.	X			
15. The Board recommends that the Administration analyse which data are necessary for the comprehensive monitoring of the exercise of delegated authorities, take stock of how these aspects are currently recorded and identify changes needed.	para. 231	As envisaged in the 2019 accountability framework on monitoring delegation of authority, the 16 existing key performance indicators are being enhanced and expanded following a holistic review. Implementation is under way, with the first group of enhanced and expanded key performance indicators available and included in the fourth quarter of 2021 report. The remaining and more technically complex key performance indicators are scheduled to be available in time for the second quarter of 2022 report.	The Board considers the recommendation as implemented.	X			
16. The Board recommends that the Administration propose new financing arrangements for peacekeeping support, namely, the departments at Headquarters, RSCE and UNLB, to reflect that UNLB and RSCE are subordinate to the Department of Operational Support, which provides services to the whole Secretariat after the management reform.	para. 242	The General Assembly did not take action on the Secretary-General's proposal regarding a new funding model for the Department of Management Strategy, Policy and Compliance and the Department of Operational Support (A/74/761).	The Board considers the recommendation as overtaken by events.				X

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification	
				Implemented	Under implementation
Human resources management					
17. The Board recommends that the Administration document the entire recruitment process of temporary appointments in Inspira and Umoja; the documentation should include all necessary data, especially the justification of the need for a temporary appointment and the reasons for its extension.	para. 269	The Administration stated that guidance on temporary appointments had been developed by the Human Resources Division and the Department of Operational Support and was undergoing review and clearance by the policy owner. It would be shared by missions as soon as it was ready.	The guidance does not address all items of the recommendation. The Administration did not provide sufficient evidence to document an improvement in recruitment regarding temporary job openings. The Board considers this recommendation as under implementation.		X
18. The Board recommends that the Administration ensure that officials with delegation of authority base their selection decision on an assessment of how and to what extent the applicants' competencies meet the requirements, and record both the comparative analysis and the selection decision in the system.	para. 283	The Administration stated that the evaluation process for applicants to job openings was embedded in the staff selection system (ST/AI/2010/3). Candidates were subjected to a competency-based interview. A comparative analysis report was prepared for each of the candidates assessing their competencies applicable to the job opening, and a report was created and recorded in Inspira. The Field Central Review Board reviewed the proposals for the filling of vacancies to ensure that the candidates were evaluated on the basis of the corresponding evaluation criteria and that the applicable procedures were followed in accordance with the staff selection system	The Administration did not refer to the recruitment of staff on temporary appointments. There is no Field Central Review Board review. With regard to other appointment types, the Administration did not provide sufficient evidence of implementation. The Board considers this recommendation as not implemented.		X
19. The Board recommends that the Administration base its post requirements on a baseline assessment of functions performed and enhance the documentation of approved posts.	para. 311	The Administration stated that missions, in their budget submissions, had provided a summary of long-term vacant posts to demonstrate compliance, namely, that the long-vacant posts had been reviewed and considered for retention, abolishment or other post action. The supplementary information submitted identified the action taken. If posts were to be retained, then information should be	The Board considers this recommendation as implemented.	X	

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification	
				Implemented	Under implementation
		provided on the status of recruitment at the time of budget preparation, as well as clear justification of the need for retention. That information was updated several times during the budget proposal process.			
Supply chain management					
20. The Board recommends that the Administration establish a review and quality control mechanism for procurement, including acquisition, to ensure that procurement is justified in terms of economy and effectiveness, the statement of requirements and technical specifications reflect and do not exceed the actual need, and the evaluation procedure is suited to and the most efficient at identifying the best offer.	para. 345	The Department of Operational Support stated that a procurement and property improvement and streamlining group had been established with the objective of continuous improvement in procurement and property management. The group members meet regularly to: (a) discuss developments in procurement and property management policy and implementation, drawing on the responsibilities of each of the member entities; and (b) ensure appropriate follow-up to the recommendations by the Headquarters Committee on Contracts and the Headquarters Property Survey Board, as well as those of the group.	The Board considers this recommendation as implemented.	X	
21. The Board recommends that the Administration ensure international competition by soliciting Internet capacity services and by analysing the market and alternative solutions for transponder capacity.	para. 353	The Department of Operational Support stated that the recommendation was in the process of implementation. In terms of satellite capacity, bids were received on the revised opening date of 30 June 2021 and the request for proposal is at the technical evaluation phase. The solicitation process for Internet over satellite, including equipment and capacity services, was published to vendors on 8 October 2021. The two contracts are expected to be executed by 30 June 2022.	The process is ongoing. The Board considers the recommendation as under implementation.		X

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
22. The Board recommends that the Administration ensure that, in cases in which air operators fail to meet the financial criteria for registration, the electronic Special Approval Committee take into account the interdependencies between the financial position of the company and the safety of its air operations, document the assessment and its result and limit special approvals to exceptional cases.	para. 363	The Department of Operational Support stated that air operator-related cases in which vendors fail to meet the financial criteria for registration was being reviewed by the electronic Special Approval Committee, including a staff member from the Aviation Safety Section, on its own merits following a robust technical evaluation done by the Section.	The Board considers this recommendation as implemented.	X			
23. The Board recommends that the Administration train back-up staff for the joint technical vendor registration of the air operator's registration procedure.	para. 364	The Department of Operational Support stated that the recommendation had been implemented. The qualified back-up staff perform joint technical vendor registration of the air operator's registration procedure.	The Board considers this recommendation as implemented.	X			
Locations closure							
24. The Board recommends that the Administration ensure that heads of field units stay at their posts and remain responsible for the closure of their units.	para. 389	The Administration stated that it had taken various measures at the operational level to mitigate the issue. Please refer to paragraph 97 of A/76/5 (Vol. II) for details.	The Board considers this recommendation as not implemented. See paragraph 99 of A/76/5 (Vol. II) above for details.				X
25. The Board recommends that the Administration ensure that documents on the closure of field units be certified in written form and include all decisions to sell, transfer, gift or donate assets; record the signatures and offices of the recipients of these assets and detail the monetary impact; and conclude a document on lessons learned for further closure of locations.	para. 390	The Administration stated that it continued to monitor progress in the physical verification process though the quarterly key performance indicators to ensure prompt and ongoing attention to physical inventory requirements. Each entity records and documents physical verification activities and results in Umoja.	The Board considers the recommendation as implemented.	X			

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
26. The Board recommends that the Administration ensure that disposals are compliant with regulation 5.14 of the Financial Regulations and Rules of the United Nations and are authorized.	para. 395	The Administration stated that it continued to provide support and ongoing advice to missions that were downsizing and liquidating, including with respect to the application of all relevant Financial Regulations and Rules of the United Nations, including regulation 5.14.	The Administration provided no supporting documents. The Board considers the recommendation as not implemented.			X	
Subtotal, 26 recommendations (percentage)				17 (65)	5 (19)	3 (12)	1 (4)

A/75/5 (Vol. II), chap. II, for the period ended 30 June 2020

Budget and finance

1. The Board recommends that the Administration determine the support account share of after-service health insurance expenditure on the basis of actual costs incurred within peacekeeping operations.	para. 68	The data collection and analysis are ongoing and expected to be completed in the first quarter of 2022, including the determination of the support account share of after-service health insurance expenditures.	The Board considers the recommendation as under implementation.		X	
2. The Board recommends that the Administration determine and provide to the actuary the actual health-care cost-sharing between the United Nations and after-service health insurance beneficiaries to appropriately reflect the United Nations cost shares in the next valuation of the after-service health insurance liabilities.	para. 75	The United Nations has a single health-care system for a pool of active and retired staff. While the health benefits are identical for active and retired staff, the scale of premium payments favours the retired staff. This is done to ensure fairness regarding the unequal level of salary and pension. However, this is a matter limited to a group of staff. The cost-sharing of the Organization is irrelevant because the health-care system is managed so as to set the overall cost-sharing of the Organization at the statutory ratio of either half or two thirds of the premium payments. At the macro level, the actual cost-sharing between the United Nations and the after-	The Board considers the recommendation as under implementation.		X	

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Overtaken implemented	Not Overtaken by events
		service health insurance beneficiary (i.e., the retired staff) is the same as the cost-sharing authorized by the General Assembly and it does not affect the actuarial valuation of after-service health insurance liabilities. However, management will consult with the actuary again in the next valuation of after-service health insurance liabilities.					
3. The Board recommends that the Administration reassess other methods, including a workload analysis adapted to its purpose, for determining a more precise apportionment of costs between the regular budget and the peacekeeping budget for funding the departments covered under the new funding model.	para. 83	The Secretary-General presented a proposal to the General Assembly on a funding model for the Department of Management Strategy, Policy and Compliance and the Department of Operational Support in 2020 (A/74/761). The Assembly did not adopt a resolution or decision on the report, no decision was taken to defer the report to be considered at a future session, and no subsequent report was requested. The proposed budgets for both Departments for 2021 used the existing funding methodology.	The Board considers the recommendation as overtaken by events.				X
4. The Board recommends that the Administration propose including all other entities co-financed under the support account in the new funding model.	para. 84	The Secretary-General presented a proposal to the General Assembly on a funding model for the Department of Management Strategy, Policy and the Department of Operational Support in 2020 (A/74/761). The Assembly did not adopt a resolution or decision on the report, no decision was taken to defer the report to be considered at a future session, and no subsequent report was requested.	The Board considers the recommendation as overtaken by events.				X

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
5. The Board recommends that the Administration align its financial report (chap. IV) with IPSAS recommended practice guideline 2 in collaboration with other United Nations entities.	para. 94	Information needed for an IPSAS recommended practice guideline 2-compliant financial report was submitted by all field missions. The information was incorporated into the financial report for 2020/21.	The Board considers the recommendation as implemented. In the future, the Administration could consider enhancing its reporting on sustainability.	X			
6. The Board recommends that the Administration integrate decision-taking based on delegated authorities into administrative systems such as Umoja to the extent possible and, if not feasible, track individual decision-taking in a way that facilitates controls and monitoring.	para. 104	The Administration started discussions with the Umoja team to identify those processes where existing capabilities could be leveraged or easily enhanced to capture the information on decision-making. For other decisions, the Secretariat is conducting a comprehensive exercise to prepare a common catalogue of services across all administrative functional areas. Working groups have been created in the different functional areas, and intensive work has led to the preparation of draft catalogues.	The Board considers the recommendation as implemented.	X			
7. The Board recommends that the Administration stipulate that missions shall evaluate all requests for information and intelligence acquisition lists annually ex post facto, to support their statement on unmanned aircraft systems demand.	para. 144	The Administration stated that the implementation of the recommendation is undertaken as one component of a larger effort to improve the guidance framework for unmanned aircraft systems. The Administration has established an unmanned aircraft systems joint cell. The cell is, among other things, developing a new unmanned aircraft systems/airborne intelligence, surveillance and reconnaissance manual and strategy, which will include this stipulation, as well as guidance for the generation, demand and sourcing of unmanned aircraft systems/remotely piloted aircraft systems and airborne intelligence, surveillance and reconnaissance services.	The Board considers this recommendation as implemented.	X			

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
		To ensure that the stipulation can be implemented by missions, and in recognition of the constraints that they currently face, the Administration is supporting efforts by missions to establish structured processes. It held a conference on unmanned aircraft systems/intelligence, surveillance and reconnaissance in November 2021 that captured best practices and lessons learned. The Administration is also developing a request for proposals for a technical solution to assist in the management of requests for information, intelligence acquisition lists and related data management, for roll-out in 2022/23.					
8. The Board recommends that the Administration include provisions for payment or reimbursement deduction in unmanned aircraft system contracts and letters of assist as a standard.	para. 153	The Administration stated that the proportionate rate reduction/payment deductions are included in contracts and letters of assist for unmanned aircraft systems services and provided one contract as an example.	The Board considers this recommendation as implemented.	X			
9. The Board recommends that the Administration include provisions, such as liquidated damages, in unmanned aircraft system contracts as a standard that impose additional financial liabilities on the contractor for not meeting the contractual obligations.	para. 154	The Administration stated that the determination as to when and how to use liquidated damages provisions and/or other types of cost-recovery mechanisms in United Nations contracts is complex, and such clauses are not appropriate for all contracts. The inclusion of liquidated damages and/or other types of cost-recovery mechanism provisions in any given contract depends on the nature of each transaction based on the specific facts and requirements of the Organization. Accordingly, the use of liquidated damages and/or other types of cost-recovery provisions in United Nations contracts should be considered	The Board considers this recommendation as not implemented. The Administration provided one contract for unmanned aircraft systems services that was signed in 2018, prior to the time of the recommendation. In order to comply with this recommendation, it is not sufficient that provisions, such as liquidated damages, be included in a single contract for unmanned aircraft systems services. The Administration would be in compliance with this			X	

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
		carefully, and any questions about such provisions should be referred to the Office of Legal Affairs for appropriate legal advice. The Administration provided a 2018 contract ("PD/C00216/18 – Provision of an unmanned aerial system in support of MONUSCO LEONARDO – SOCIETA'PER AZIONI") as an example of where liquidated damages provisions were included in one contract for unmanned aircraft systems.	recommendation if it stipulated in writing and in a binding manner (e.g., guidelines) that provisions, such as liquidated damages, must be included in every contract for unmanned aircraft systems services as a matter of principle and as a standard.				
10. The Board recommends that the Administration waive unmanned aircraft systems-related claims, such as liquidated damages, only after officially recorded considerations and authorization by an Assistant Secretary-General.	para. 155	The Administration stated that the decision on unmanned aircraft system-related contract claims, including those relating to liquidated damages, should be based on appropriate legal review. The Administration also stated that the application of liquidated damages provisions in contracts was, by its nature and United Nations long-standing practice, discretionary. Taking into account the numerous contracts that the Administration concludes and manages on an annual basis, it would not seem practicable to have to seek a waiver of a discretionary remedy from a United Nations official at the level of Assistant Secretary-General. The Administration further stated that its comments regarding the Board's recommendation in paragraph 154 of A/75/5 (Vol. II) on the determination as to when and how to use liquidated damages and/or other types of cost-recovery mechanism provisions in any given contract depended on the nature of each transaction based on the	The Board considers this recommendation as not implemented. The Administration would be in compliance with the recommendation if it stipulated in writing and in a binding manner (e.g., guidelines) that it waive unmanned aircraft systems-related claims, such as liquidated damages, only after officially recorded consideration and authorization by an Assistant Secretary-General as a matter of principle and as a standard.				X

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification	
				Implemented	Under implementation
		specific facts and requirements of the Organization. The Administration considers that the recommendation to obtain a waiver and authorization by an Assistant Secretary-General has been taken over by events and respectfully requests closure of this recommendation.			Not Overtaken by events
11. The Board recommends that the Administration fulfil its own obligations of unmanned aircraft system contracts to be able to claim liquidated damages without being at fault.	para. 159	The Administration stated that the settlement of the MONUSCO case had been resolved, and supporting documents were provided for verification.	The Board considers this recommendation as implemented.	X	
12. The Board recommends that the Administration, together with the missions, obtain an independent analysis by a group of experts of whether the current exclusive partnership of having the Mine Action Service with UNOPS is cost-effective and delivering on the missions' mandates and evaluate the benefits of the Mine Action Service implementing a certain share of mine action activities itself, for example, by directly administering third-party agreements through Mine Action Service programme managers in the field.	para. 175	An expression of interest for the requested independent analysis has been issued by the Department of Operational Support and a consulting firm will be engaged through a competitive process to undertake the review. The final report and recommendations of the review are expected by June 2022 and will be conveyed to the General Assembly.	The statement of work for the independent analysis had been drafted and the procurement process was under way. In addition, the Mine Action Service set up a reference group consisting of 12 Secretariat staff members and one OIOS staff member to provide additional perspective and knowledge. The Board considers the recommendation as under implementation.		X
13. The Board recommends that the Administration include in the new memorandum of understanding with UNOPS clear stipulations on transparency and the provision of supporting documents, on the utilization of existing United Nations contracts and structures, on the consequences of non-compliance and on the UNOPS fee structure.	para. 176	The Administration has reviewed the initial draft memorandum of understanding proposed by UNOPS and identified a number of clauses that require further discussions/ negotiation. These discussions and negotiation are ongoing.	At the time of drafting the current report, the Administration was negotiating a new memorandum of understanding between the Secretariat and UNOPS. The Board considers the recommendation as under implementation.		X

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification	
				Implemented	Under implementation
14. The Board recommends that missions establish internal controls to ensure that vacant core function posts are occupied without delay and avoid filling these posts with temporary appointments and assignments, except to bridge recruitment periods.	para. 189	The Administration provided statements by UNTSO, UNMIK, UNFICYP, MONUSCO and MINUSMA which showed varying degrees of implementation in those missions.	The Administration provided evidence of improvements in several, but not all, missions. It did not document any United Nations-wide implementation. The Board considers this recommendation as under implementation.		X
15. The Board recommends that the Administration review posts that have been vacant or filled temporarily for two years or more and propose either their abolishment or their retention, including a clear and detailed justification in the next budget proposal.	para. 191	The Administration stated that the current procedure established a solid framework for the review of posts vacant for two years or more. In their budget submissions, missions provided a summary of posts that have been vacant for a long period of time to demonstrate compliance with regard to those posts having been reviewed and considered for retention, abolishment or other post action. If posts were to be retained, information should be provided on the status of recruitment at the time of budget preparation, as well as clear justification of the need for retention. This information was updated several times during the budget proposal process.	The Board considers this recommendation as implemented.	X	
16. The Board recommends that the Administration ensure that the circumstances according to the administrative instruction be given, documented and signed by staff with the appropriate delegated authority before exceptionally extending temporary appointments beyond 364 days.	para. 202	The Administration stated that guidance on temporary appointments had been developed by the Human Resources Division and the Department of Operational Support and was under review for clearance by the policy owner. It would be shared by missions as soon as it was ready. The Administration provided further statements by UNSOS, MINUSMA, UNTSO, MONUSCO and UNFICYP regarding the various stages of implementation in those missions.	The guidance on the management of temporary appointments does not address all the items of the recommendation. The Administration provided evidence of improvement in several, but not all, missions. It did not document any United Nations-wide implementation. The Board considers this recommendation as under implementation.		X

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification			
				Implemented	Under implementation	Not implemented	Overtaken by events
17. The Board recommends that the Administration ensure that temporary appointments do not exceed 729 days.	para. 209	<p>The Administration stated it had provided sustained guidance and training to missions. This included the sharing of exceptions analysis and the issuance of the human resources exceptions guide in March 2021. This would enable entities to make rectifications in a timely manner and would ensure that exceptions not reported by missions could be captured in the exception log as soon as possible. In the two first quarters of 2021, no temporary appointment exceeding 729 days were detected in this regular monitoring, with the exception of one case at UNAMID.</p> <p>The Administration provided further statements by UNSOS, UNTSO, MONUSCO and UNFICYP regarding the various stages of implementation in those missions.</p>	<p>The Board stresses that the Staff Regulations and Rules prohibit that any temporary appointment exceed 729 days. While the Administration has demonstrated efforts to monitor temporary appointments exceeding 729 days and to reduce their number, these cases still exist.</p> <p>The Board considers this recommendation as under implementation.</p>		X		
18. The Board recommends that the Administration assess the share of non-United Nations peacekeeping operations passengers on mission flights and the amount of costs that missions have not recovered; assess the budgetary impact on United Nations peacekeeping operations aircraft and fuel needs; and revise the draft policy on the transportation of non-United Nations peace operations passengers on United Nations peace operations-provided aviation assets to impose clear definitions as to when non-United Nations peacekeeping operations passenger travel is essential to implementing a mission's mandate.	para. 223	<p>The Administration finalized and issued the policy on cost recovery and guidelines. In addition, the Administration further revised the draft policy on the transportation of non-United Nations peace operations passengers by United Nations air assets, as well as the annexes of the overview report on the financing of peace operations and budget instructions to develop a mechanism to assess the share of non-United Nations peacekeeping operations passengers on mission flights, the amount of costs that the missions have recovered, and the budgetary impact on peacekeeping operations aircraft and fuel needs.</p>	<p>The Board considers this recommendation as implemented.</p>	X			

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification		
				Implemented	Under implementation	Not Overtaken by events
19. The Board recommends that MINUSMA, MONUSCO, UNAMID, UNIFIL, UNISFA, UNFICYP, UNMISS and UNSOS establish and implement a standard operating procedure as prescribed under the weapons and ammunition policy.	para. 236	The Administration stated that the recommendation had been implemented. The missions have established and implemented a standard operating procedure on weapons and ammunition in accordance with the weapons and ammunition policy guidelines.	The Board considers this recommendation as implemented.	X		
20. The Board recommends that MINUSMA, MONUSCO, UNAMID, UNDOF, UNIFIL and UNSOS establish a weapons and ammunition advisory board.	para. 237	The Administration stated that the recommendation had been implemented. The missions have established a weapons and ammunition advisory board.	The Board considers this recommendation as implemented.	X		
21. The Board recommends that the Administration reiterate to troop- and police-contributing countries that contingents store ammunition and explosives in missions according to the rules of the Manual on Police and Procedures concerning the Reimbursement and Control of Contingent-Owned Equipment of Troop/Police Contributors Participating in Peacekeeping Missions and only in a quantity as needed to avoid reimbursable unserviceable ammunition and explosives.	para. 252	The Administration stated that the recommendation had been implemented. Further to the issuance of the weapons and ammunition management policy, the standard operating procedure on loss of weapons and ammunition and the United Nations ammunition management manual, as well as the Contingent-Owned Equipment Manual (2020), peacekeeping operations have been drafting their own standard operating procedures on weapons and ammunition management. The ammunition scales were defined in accordance with chapter 2 and related annexes of the United Nations Manual on Ammunition Management in January 2020. The Department of Operational Support promulgated the new Contingent-Owned Equipment Manual on 31 August 2020, in which it was reiterated that the troop- and police-contributing countries must follow the scales of ammunition in accordance with the United Nations Manual on Ammunition Management	The Board considers this recommendation as implemented.	X		

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification		
				Implemented	Under implementation	Not Overtaken by events
		and in which the reimbursement rules (Contingent-Owned Equipment Manual, paras. 28–29) were specified. In addition, a note verbale was also sent to Member States that contained a call for their adherence to the new Contingent-Owned Equipment Manual. To ensure successful and uniform implementation of the guidance in field missions, various steps have been taken, including the organization of an online workshop for ammunition technical officers, conducted by the Office of Military Affairs from 30 August to 2 September 2021 and involving approximately 35 participants from MINUSMA, MINUSCA, UNMISS, MONUSCO, UNIFIL and UNDOF. It was intended to better assist ammunition technical officers in field missions in performing their duties in line with United Nations guidelines, procedures and other best practices. The Department of Peace Operations is also developing a specialized training material on weapons and ammunition management for the training of troop- and police-contributing countries, in collaboration with the Office of Disarmament Affairs.				
22. The Board recommends that the Administration include in all memorandums of understanding that troop- and police-contributing countries provide a price list of any ammunition and explosive that they will use/deploy, and that it shall calculate reimbursement for ammunition and explosives solely according to this price list.	para. 266	The Administration stated that the recommendation had been implemented. The issue will be reviewed by the 2023 Working Group on Contingent-Owned Equipment and approved by the General Assembly.	The Board considers this recommendation as implemented.	X		

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification		
				Implemented	Under implementation	Not Overtaken by events
23. The Board recommends that the Administration create a database with all the cost rates of any ammunition and explosives coming from this price list to compare the prices.	para. 268	The Administration stated that the recommendation had been implemented. The issue will be reviewed by the 2023 Working Group on Contingent-Owned Equipment and approved by the General Assembly.	The Board considers this recommendation as implemented.	X		
24. The Board recommends that the Administration define the maximum amount of reimbursement that it pays for ammunition and explosives based on this database.	para. 270	The Administration stated that the recommendation had been implemented. The issue will be reviewed by the 2023 Working Group on Contingent-Owned Equipment and approved by the General Assembly.	The Board considers this recommendation as implemented.	X		
25. The Board recommends that the Administration provide training to staff members responsible to ensure the proper recording of fuel data, and regularly monitor and analyse fuel consumption to identify and investigate irregular fuel consumption.	para. 275	With regard to fuel management training, the Logistics Division is working with the Capacity Development and Operational Training Service on the last phase of the training, uploading files and setting up the course in the platform. With regard to the Electronic Fuel Management System, the Fuel Unit in the Logistics Division is working on the draft Electronic Fuel Management System-3 project brief, to be submitted to the management of the Office of Supply Chain Management for endorsement. The recommendation will be implemented by the target date of September 2022.	The Board continued to note deficiencies in fuel management (see chapter on fuel management above). The Board considers the recommendation as under implementation.		X	
26. The Board recommends that the Administration develop a strategy to increase the energy efficiency of power generators in missions and reduce emissions.	para. 284	According to the Department of Operational Support, the Administration has already developed a strategy to implement the recommendation under the energy category strategy, which has been approved by the category management steering committee. The strategy calls for a comprehensive approach, with phased steps and measures, to increase	The Board considers this recommendation as implemented.	X		

<i>Summary of recommendations</i>	<i>Reference</i>	<i>Management response in brief</i>	<i>Board's assessment</i>	<i>Status after verification</i>			
				<i>Implemented</i>	<i>Under implementation</i>	<i>Not implemented</i>	<i>Overtaken by events</i>
		<p>energy efficiency, including the energy efficiency of power generators and a reduction in emissions. In line with the strategy, the Administration has initiated the following action:</p> <p>(a) The process for the replacement of the global systems contract for high-efficiency generators with a scheduled solicitation in the third quarter of 2022, which will not only provide energy-efficient power generators, but also contribute to a reduction in emissions;</p> <p>(b) Establishment of a contract for energy-efficient HVAC systems by the end of 2021;</p> <p>(c) Solicitation for highly energy-efficient energy photo-voltaic solar panels for power generation to replace power from diesel generators, to be issued next month.</p> <p>The Administration wishes to clarify that achieving full energy efficiency and a reduction in emission will be an ongoing effort involving all energy-consuming entities of the United Nations, for which a specific cut-off date may not be feasible.</p> <p>The Administration requests the Board to take into consideration the significant progress made to implement the recommendation, as mentioned in points (a) to (c) above, and consider closing the recommendation.</p>					

Summary of recommendations	Reference	Management response in brief	Board's assessment	Status after verification		
				Implemented	Under implementation	Not Overtaken by events
27. The Board recommends that the Administration perform a review of the arbitral proceeding of Permanent Court of Arbitration case 2016-40 to identify lessons learned and to ensure that proper processes and controls are in place to avoid a recurrence of similar issues.	para. 291	The Department of Operational Support undertook the review.	The Board considers this recommendation as implemented.	X		
28. The Board recommends that the Administration establish a United Nations occupational safety and health management system that also includes COVID-19 measures.	para. 309	The United Nations occupational safety and health management system was introduced through the promulgation of Secretary-General's bulletin ST/SGB/2018/5 , in which he indicated that the system would be implemented in a phased manner. The Administration stated that an occupational safety and health management system required multiple components for which personnel resourcing had not been made available. Therefore, the full implementation of this recommendation was subject to the availability of resources from Member States.	The Board considers this recommendation as under implementation.		X	
29. The Board recommends that UNAMID assess the reasons for the build-up of excessive property, plant and equipment and inventories and for the challenges that UNAMID faced in disposing of assets economically, and report on both issues at the end-of-mission report to prevent their recurrence in other missions.	para. 314	To the extent possible, the requested details were included in the UNAMID End of Mission DMS Drawdown report dated 25 July 2021. With regard to the assessment of the reasons for the build-up of excessive stock, none of the staff present in the mission had the institutional memory that would facilitate the undertaking of a study.	The Board considers the recommendation as overtaken by events.			X

<i>Summary of recommendations</i>	<i>Reference</i>	<i>Management response in brief</i>	<i>Board's assessment</i>	<i>Status after verification</i>			
				<i>Implemented</i>	<i>Under implementation</i>	<i>Not implemented</i>	<i>Overtaken by events</i>
30. The Board recommends that UNAMID consider all legal restrictions prior to the handover of assets to third parties and clarify whether any current arrangements violate legal restrictions.	para. 318	UNAMID confirmed that, with the lifting of legal restrictions on the communication towers, the mission initiated the handover process of the communication towers. In addition, all 14 team sites closed during its drawdown period from 1 January to 30 June 2021 were handed over with no residual legal restrictions.	The Board considers the recommendation as implemented.	X			
Subtotal, 30 recommendations (percentage)				16 (53)	9 (30)	2 (7)	3 (10)
Total, 89 recommendations (percentage)				53 (59)	22 (25)	9 (10)	5 (6)

Chapter III

Certification of the financial statements

Letter dated 24 September 2021 from the Controller addressed to the Chair of the Board of Auditors

The financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 2020 to 30 June 2021 have been prepared in accordance with financial rule 6.1 of the Financial Regulations and Rules of the United Nations.

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

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

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

Chapter IV

Financial report on the United Nations peacekeeping operations for the period from 1 July 2020 to 30 June 2021

A. Introduction

1. The Secretary-General has the honour to submit the financial report on the operations of United Nations peacekeeping for the period from 1 July 2020 to 30 June 2021.
2. The accounts of the United Nations peacekeeping operations are presented in five financial statements and notes that provide a summary of significant accounting policies as well as explanations of the amounts presented in the financial statements.
3. Although the present financial report is not part of the Organization's financial statements, it is designed to be read in conjunction with them. It presents an overview of the consolidated position and performance of the peacekeeping operations, highlighting trends and significant movements.

B. Governance

4. The United Nations peacekeeping operations are the Organization's most effective instrument for maintaining international peace and security. The Charter of the United Nations gives the Security Council primary responsibility for the maintenance of international peace and security. The Council has exclusive right to establish a United Nations peacekeeping mission; it can extend, amend or end mission mandates as it deems appropriate. The Council monitors the work of peacekeeping missions on an ongoing basis, including through periodic reports from the Secretary-General and by holding sessions to discuss the work of specific missions. Preventing conflicts, facilitating durable peace agreements, preventing atrocities, protecting civilians, promoting human rights, promoting women and young people and supporting stable democratic Governments are the central aims of United Nations peacekeeping operations.
5. The General Assembly plays a key role in the financing of peacekeeping operations. The Assembly apportions appropriations on all Member States on the basis of a special scale of assessments for peacekeeping operations. The Assembly, through its Administrative and Budgetary Committee (Fifth Committee), approves and oversees the peacekeeping budget. This includes the ways in which specific field missions are funded and equipped, based on detailed submissions provided by the Secretary-General.
6. The Secretary-General appoints the head of mission, who is usually a Special Representative of the Secretary-General, to direct the peacekeeping mission. The Secretary-General also appoints a peacekeeping mission's Force Commander and Police Commissioner.

C. Overall trend and environment

7. As at 30 June 2021, there were 12 active peacekeeping missions, including UNAMID, which was in the process of closure. A shift from large multidimensional peacekeeping missions to smaller political missions has become more evident in recent years. Larger peacekeeping missions, with sizeable military and police footprints, have been completing their mandates, while civilian-staffed special political missions have increased.

8. No new peacekeeping mission has been established since MINUJUSTH in 2017. In recent years, the mandates of UNOCI, UNMIL and MINUJUSTH have successfully ended. The large peacekeeping operations such as MINUSCA, MONUSCO, MINUSMA and UNMISS have contended with stalled peace processes, human rights and civilian protection challenges, and direct threats against peacekeepers. Long-standing missions in areas of conflict that are at a standstill, such as MINURSO and UNFICYP, have encountered an increase in tensions.

External environment and trend

9. A surge in demand following the easing of COVID-19 lockdowns has been confronted by supply bottlenecks and rising prices of energy and raw materials. The resulting inflation, in addition to the pandemic itself, is adding further complexity to the implementation of the mandates of peacekeeping operations. COVID-19 has forced the peacekeeping operations to reassess which of their activities are essential to carrying out their mandated responsibilities. Peacekeeping operations have also had to adapt their operations to minimize the risk of spreading COVID-19 both to the people whom they are tasked to protect and to peacekeepers.

Internal environment and trend

Peace and security reform

10. The rapidly shifting global landscape prompted the Secretary-General to lead a series of interrelated reforms, including a restructuring of the peace and security pillar. The Secretary-General's 2019 reform of the United Nations peace and security architecture was intended to break down institutional silos. This was designed to make the pillar more coherent, pragmatic, nimble and effective, capable of collaboration with partners across the United Nations system and beyond in order to prevent violent conflict.

11. The overarching goals of peace and security reform are to prioritize prevention and sustain peace, enhance the effectiveness and coherence of peacekeeping operations and special political missions, continue to move towards a single, integrated peace and security pillar, and align it more closely with the development and human rights pillars in order to create greater coherence and cross-pillar coordination.

More effective peace operations through the United Nations country team

12. In multidimensional peacekeeping operations, the United Nations has adopted an "integrated approach" for all parts of the United Nations system that are active in that country. This means that the peacekeeping operation and the United Nations country team work towards the same strategic vision.

Partnerships with the European Union, the African Union and the Joint Force of the Group of Five for the Sahel

13. The peacekeeping operations have been working alongside other institutional partners, including the African Union and the European Union, as well as coalitions such as the Joint Force of the Group of Five for the Sahel. The latter is an intergovernmental cooperation framework created in 2014 through an initiative of the African Union. It is intended to promote security and support development in the Sahel with a view to opening up the region to, among others, development and investment.

14. The United Nations and the European Union work side by side in the Central African Republic, Libya and Somalia, as well as in Kosovo,¹ and in support of the

¹ References to Kosovo shall be understood to be in the context of Security Council resolution 1244 (1999).

Joint Force of the Group of Five for the Sahel. The agreement between the United Nations and the European Union for the provision of mutual support provides an overarching framework for the provision of operational support services in response to unfolding crises.

Strengthened performance and accountability

15. The continuing roll-out of and improvements in Umoja Extension 2, in particular the strategic planning, budget formulation and performance management solution, is strengthening performance and accountability across the Secretariat. The peacekeeping operations have been requested to update the strategic management application module, which is part of the strategic planning, budget formulation and performance management solution, with the status of programmatic implementation on a quarterly basis. This allows in-year performance management, supporting the delegation of authority, with an emphasis not only on the management of resources, but also on programmatic progress achieved, supporting more effective decision-making.

16. Furthermore, budget formulation for the peacekeeping operations is placing greater focus on impact-oriented results and aligning the impact to the prioritization and sequencing of mandated tasks and to changing opportunities and challenges. To this end, missions have been drawing on the results framework developed as part of the Comprehensive Planning and Performance Assessment System (CPAS) to progressively inform the development of their results-based budgeting frameworks to help to strengthen its impact orientation. CPAS is a comprehensive tool to link the context of a country with peacekeeping planning, data, results and reporting. CPAS enables the leadership of peacekeeping operations to make more informed evidence-based decisions to enhance mandate implementation and to de-escalate conflicts more rapidly, leading to an improvement in the lives of millions of people living in the affected countries.

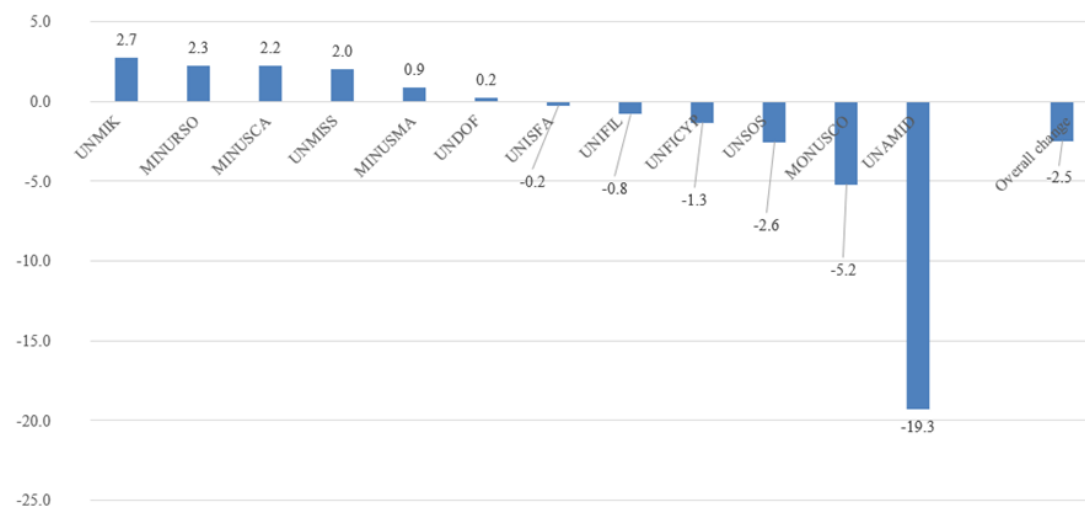
17. CPAS was first launched in MINUSCA in 2018 and has since expanded to nine additional missions (MINURSO, MINUSMA, MONUSCO, UNDOF, UNFICYP, UNIFIL, UNISFA, UNMIK and UNMISS). It is expected to be rolled out in UNTSO and UNMOGIP in 2021, thereby completing its launch in all peacekeeping missions. Through CPAS, missions can assess their operating environment more systematically, identify what influence they aim to have and assess progress towards these goals using data and analysis.

D. Mission mandates and trend of expenditure

18. From 2018/19 to 2020/21, the aggregate budgetary expenditure of the 12 active peacekeeping missions declined by an average of 2.5 per cent annually. The corresponding change observed in the previous three-year period (2017/18 to 2019/20) was a decline of 2.0 per cent. The declining trend of operations therefore accelerated in the most recent three-year period. Figure IV.I presents the average annual percentage change in budgetary expenditure in the recent three-year period. Six missions marked growth, while the other six missions declined. Figure IV.II presents the size of the missions in three groups: large, medium and small. Three large missions, namely, MINUSCA, UNMISS and MINUSMA, continued to grow at modest rates (2.2, 2.0 and 0.9 per cent, respectively). However, their growth was overshadowed by the rapid decline observed in UNAMID and MONUSCO (19.3 and 5.2 per cent, respectively).

Figure IV.I
Trend in expenditure of active missions, 2018/19 to 2020/21

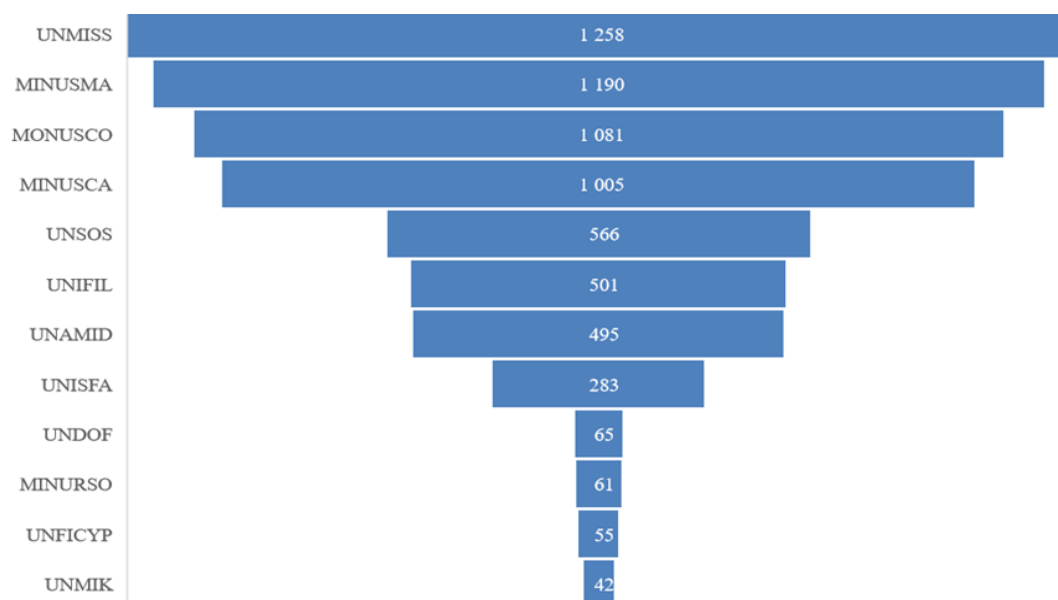
(Percentage)



Source: Statement V.

Figure IV.II
Order of active missions by size of expenditure, 2020/21

(Millions of United States dollars)



Missions with growth trends

United Nations Interim Administration Mission in Kosovo

19. UNMIK was established in 1999. After the Kosovo authorities' declaration of independence in 2008, the Mission was reconfigured. In 2020/21, UNMIK continued to monitor, coordinate and facilitate regional security and stability. It prioritized work supporting the dialogue process between Pristina and Belgrade, reconciliation, access to justice and human rights, and promotion of the role of community leaders, women, young people and other change-makers in intercommunity trust-building initiatives.

20. The expenditure for UNMIK grew 2.7 per cent annually on average during the three most recent years. In 2020/21, there was a 6.6 per cent increase in expenditure compared with the previous year. The increase in expenditure was due mainly to an increase in civilian personnel costs as a result of the increase in the hardship allowance in Pristina and Mitrovica, which reflected rising tensions with Serbia. There were 17 military and police personnel at the Mission in 2020/21, 17 in 2019/20 and 18 in 2018/19.

United Nations Mission for the Referendum in Western Sahara

21. MINURSO was established in April 1991 in accordance with settlement proposals for a mutually acceptable political solution, which would provide for the self-determination of the people of Western Sahara.

22. In November 2020, hostilities resumed between Morocco and the Frente POLISARIO. As a result, MINURSO reviewed its patrol strategy and adjusted patrolling routes and schedules to reflect the security situation on the ground. There were 222 military and police personnel in the Mission in 2020/21, 210 in 2019/20 and 228 in 2018/19.

23. Expenditure for MINURSO grew 2.3 per cent annually on average during the three most recent years. In 2020/21, there was a 1.0 per cent increase in expenditure compared with 2019/20.

United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

24. MINUSCA was established in 2014 to improve the political, security and institutional conditions by reducing the threat of armed groups through a comprehensive approach and robust posture. The 2020/21 period was characterized by increased political tensions, leading to the creation of the Coalition des patriotes pour le changement, which attempted to disrupt the general election of December 2020 and February 2021. Notwithstanding the challenges, MINUSCA continued its efforts to protect civilians and support the implementation of the Political Agreement for Peace and Reconciliation in the Central African Republic and the legislative election. In 2020/21, the strength of the military and police personnel of the Mission was 13,520, compared with 13,299 in 2019/20 and 13,488 in 2018/19.

25. Expenditure for MINUSCA grew 2.2 per cent annually on average during the three most recent years. Expenditure for 2020/21 increased by 4.5 per cent compared with 2019/20. The increase in expenditure was attributable mainly to an increase in operational costs and civilian personnel. The increased requirements for facilities and infrastructure under operational costs stemmed from the acquisition of prefabricated buildings for the accommodation of the additional military and police personnel, and the upgrade of existing camps for uniformed personnel to provide adequate accommodation for women peacekeepers.

United Nations Mission in South Sudan

26. UNMISS was established in 2011 to consolidate peace and security and establish the conditions for development in South Sudan, which had become a new country after more than 20 years of civil war in the Sudan. The implementation of the Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan signed between the Government and opposition political parties in 2018 remained significantly behind schedule. However, the establishment of the Revitalized Transitional Government of National Unity in 2020 has been a key development in the peace process. In March 2021, the Mission was mandated to advance a three-year strategic vision to prevent a return to civil war, to build durable peace and to support inclusive and accountable governance and free, fair and peaceful elections in accordance with the Revitalized

Agreement. In 2020/21, the strength of the military and police personnel of the mission was 16,376, compared with 16,564 in 2019/20 and 16,538 in 2018/19.

27. Expenditure for UNMISS grew 2.0 per cent annually on average during the three most recent years. The expenditure of 2020/21 decreased slightly compared with the previous year, by 0.9 per cent. Expenditure for military contingents decreased by 4.4 per cent, owing mainly to a decrease in contingent emplacement and rotation, as well as lower costs for rations. The decrease was offset by the 12.7 per cent increase in expenditure for national staff resulting from a revision of the salary scales.

United Nations Multidimensional Integrated Stabilization Mission in Mali

28. MINUSMA was established in 2013 to stabilize Mali following the eruption of civil war and a coup d'état in 2012. The Mission has been operating in a high-risk environment to support the implementation of the Agreement on Peace and Reconciliation in Mali signed in 2015. Following military coups in August 2020 and May 2021, MINUSMA has also been tasked with simultaneously supporting the political transition and helping to ensure a swift return to constitutional rule. The Mission continues to face serious challenges, including a lack of will on the part of Malian stakeholders in the implementation of the peace agreement, illustrated by the limited progress made in the redeployment to the north of reconstituted units of the army; delays in adhering to the timeline of the transition; and a surge in terrorist group activity amid a reconfigured presence of international security forces. A further deterioration of the security situation and continuous attacks in the northern and central regions further affected civilians and had an impact on the fulfilment of mission activities. The Mission also had to adapt and reprioritize activities as a result of the COVID-19 pandemic. In 2020/21, the strength of the military and police personnel of the Mission was 14,765, compared with 13,917 in 2019/20 and 14,366 in 2018/19.

29. In 2019/20, expenditure for MINUSMA grew by 3.3 per cent, compared with the previous year. In 2020/21, there was a 3.9 per cent increase in the budget, and the growth trend of 2019/20 might have continued in 2020/21; however, owing to the deteriorating security situation and COVID-19, actual expenditure in 2020/21 decreased by 2.4 per cent, while the annual average growth during the most recent three-year period (2018/19–2020/21) decreased, to 0.9 per cent in 2020/21.

United Nations Disengagement Observer Force

30. UNDOF was established in 1974 to maintain the ceasefire between Israel and the Syrian Arab Republic following the Agreement on Disengagement between Israeli and Syrian Forces. In 2020/21, UNDOF maintained its full operational capability throughout the area of separation and continued to carry out its mandated tasks in the context of COVID-19. After a temporary suspension following the explosions at the port of Beirut in August 2020, the Force resumed the use of the container port and fuel depot at the port, which is the primary entry point for its supplies. The October 2019 financial crisis in Lebanon disrupted the routing of funds in dollars into the Syrian Arab Republic, and it became difficult to replenish the Organization's house banks in the country (dollar and Syrian pound), which had an impact on the Force. In 2020, the United Nations Treasury implemented a solution, which was to avoid the Lebanon route. The route had been encountering some challenges, such as a requirement for additional compliance documentation to route dollars. As a result, the replenishment of the house banks was taking longer, and this affected the Force. In 2021, the Treasury was able to re-establish the Lebanon route. The house banks in the Syrian Arab Republic are now fully operational.

31. Expenditure for UNDOF grew slightly, at 0.2 per cent annually on average, in the three most recent years. In 2020/21, the strength of the military contingent of the mission was 1,080, compared with 1,018 in 2019/20 and 952 in 2018/19.

Mission with declining trends

United Nations Interim Security Force for Abyei

32. UNISFA was established in 2011 to support implementation of the Agreement between the Government of the Republic of the Sudan and the Sudan People's Liberation Movement on temporary arrangements for the administration and security of the Abyei Area, allowing for the redeployment of government and rebel forces and ensuring the protection of civilians and support for the peaceful administration of the Abyei Area and the border verification and demilitarized zone. During 2020/21, COVID-19-related restrictions notwithstanding, the Force continued to replace ageing and hazardous military personnel accommodations. Although community liaison operations were not suspended, engagement and dialogue were related mainly to the curtailment of the pandemic.

33. The authorized strength for military and police personnel for UNISFA in 2020/21 were 3,550 and 640, respectively. This represented a decrease in military contingents and an increase in police and formed police units compared with 2019/20. The costs of military contingents were projected to decrease owing to the reduction in military strength. However, expenditure for military contingents exceeded the budget owing to the postponement of the repatriation of troops as a result of COVID-19-related restrictions. Formed police units were not deployed because of delays in the processing of visas and COVID-19-related restrictions. During the three most recent years, expenditure for UNISFA decreased slightly, by 0.2 per cent annually on average. There were 3,546 military and police personnel in UNISFA in 2020/21, compared with 3,926 in 2019/20 and 4,498 in 2018/19.

United Nations Interim Force in Lebanon

34. UNIFIL was established in 1978 with a mandate to confirm the withdrawal of Israeli forces from Lebanese territory and assist the Government of Lebanon in ensuring the return of its effective authority in the southern part of the country. In 2020/21, the authorized troop strength was adjusted from 15,000 to 13,000. The number of military personnel was 9,943 in 2020/21, compared with 10,074 in 2019/20 and 10,286 in 2018/19.

35. During the three most recent years, expenditure for UNIFIL declined slightly, by 0.8 per cent annually on average. In 2020/21, expenditure decreased by 2.2 per cent compared with the previous year. The decrease was attributable to lower costs for contingent-owned major equipment and self-sustainment, and the withdrawal of one maritime vessel.

United Nations Peacekeeping Force in Cyprus

36. UNFICYP was established in 1964 to prevent further fighting between the Greek and Turkish communities. After the hostilities of 1974, the Force was mandated to ensure peace and security in Cyprus and a return to normal conditions. UNFICYP continues to supervise ceasefire lines, maintain a buffer zone, undertake humanitarian activities and support the political process. It is also supporting intercommunal activities, implementing confidence-building measures and promoting trust between the Greek and Turkish communities.

37. In 2020/21, there was a 4.7 per cent increase in expenditure, which was attributable mainly to increases in civilian personnel. The growth in the current year reversed the declining trend of the previous two years (2018/19: 4.1 per cent; 2019/20: 4.0 per cent), slowing the average decline in expenditure in the three most recent years, from 2.5 to 1.3 per cent. There were 883 military and police personnel in 2020/21, compared with 856 in 2019/20 and 875 in 2018/19.

United Nations Support Office in Somalia

38. UNSOS was established in 2009 to provide logistical support to AMISOM. Over the years, the Office's support package had increased to keep pace with the expansion of AMISOM operations and then gradually decreased as from 2017. In 2020/21, UNSOS continued to provide logistical support to 19,036 AMISOM uniformed personnel and Somalia security forces. The Office was also mandated to provide administrative and logistical support to the special political mission, UNSOM, to enable it to strengthen its presence in all regions of Somalia.

39. In 2020/21, there was a 2.4 per cent decrease in the budget compared with the previous year. On the other hand, actual expenditure ended slightly above the previous year's level, at 0.4 per cent. The slight increase in expenditure in 2020/21, however, could not slow the downward trend in expenditure of the mission. The average annual decline in expenditure in the three most recent years went from 2.3 per cent in 2019/20 to 2.6 per cent in 2020/21. There were 19,306 military and police personnel in 2020/21, compared with 19,801 in 2019/20 and 20,951 in 2018/19.

United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

40. MONUSCO was established in 2010. During the 2020/2021 period, the Mission maintained six field offices in the eastern region, which were affected by significant levels of armed conflict, and in the Kasai region, where there has been a significant reduction in intercommunal violence and where the Mission was engaged in developing institutional capacities for the transfer of its roles and responsibilities to the Government, supported by the United Nations country team and relevant partners. Accordingly, MONUSCO closed its sub-offices in Kindu, Kananga and Tshikapa.

41. The overall increase of the 2020/21 budget compared with that of the previous year was 2.8 per cent. The volcano eruption in Goma in May 2021 triggered unbudgeted costs for the evacuation of mission personnel and family members. The budget increase and unbudgeted costs notwithstanding, overall expenditure decreased by 2.6 per cent. The underspending was due mainly to a lower deployment for all categories of uniformed personnel and a lower number of flight hours owing to COVID-19-related travel restrictions. In addition, the declining trend in the average annual decrease in expenditure in the three most recent years became more evident, from 4.7 per cent in 2019/20 to 5.2 per cent in 2020/21. There were 14,403 military and police personnel in 2020/21, compared with 15,850 in 2019/20 and 16,701 in 2018/19.

African Union-United Nations Hybrid Operation in Darfur

42. UNAMID was established in 2007 to advance peace and security in Darfur. The mandate of UNAMID was ended on 31 December 2020 and all personnel, except for the liquidation team, were repatriated by 30 June 2021; the Operation's administrative liquidation is scheduled to be completed by 30 June 2022. UNAMID activities were handed over to a special political mission, the United Nations Integrated Transition Assistance Mission in the Sudan (UNITAMS) and the United Nations country team. The objective of UNITAMS is to support the democratic transition in the Sudan, through a range of political, peacebuilding and development initiatives.

E. Overview of the financial statements

43. The financial statements of the United Nations peacekeeping operations comprise five statements and notes to the financial statements. The statement of financial position, the statement of financial performance, the statement of changes

in net assets, the statement of cash flows and the statement of comparison of budget and actual amounts are accompanied by notes that explain the accounting and financial reporting policies and provide additional information on the individual amounts contained in the statements.

44. These statements present the financial results of the peacekeeping operations, comprising 12 active missions, 34 closed missions and 6 groups of support activities, and the financial position as at 30 June 2021.

Liquidity

45. The liquidity assessment reviews the adequacy of cash assets at the mission's disposal to settle its immediate obligations at a certain point in time. Cash assets comprise cash, cash equivalent and cash pool investments, both current and long term.

46. Table IV.1 summarizes the ratio of cash assets to current liabilities for active peacekeeping missions as a measure of liquidity. There was a slight decrease in the liquidity of active missions, compared with the previous year. The decrease in liquidity ratio is attributed to the decrease in cash assets (\$233.5 million, or 21.9 per cent), which outpaced the decrease in current liabilities (\$237.7 million, or 10.0 per cent). The decrease in cash assets is attributable mostly to the decrease in the payables to troop-contributing countries by \$358.4 million. The decrease in payables to troop-contributing countries has been feasible because of the cash pooling that the General Assembly approved in its resolution 73/307.

47. The recurring cash shortage in MINURSO and UNMIK persisted in 2020/21, and the liquidity of UNSOS was very low in June 2021. The three missions had to borrow from MINUSMA. The loans payable as at 30 June 2021 in MINURSO, UNMIK and UNSOS were \$10.0 million, \$32.5 million and \$40.0 million, respectively (2019/20: \$15.0 million, \$30.0 million and none), bringing the total outstanding cross-borrowings as at 30 June 2021 to \$82.5 million (2019/20: \$45.0 million).

Table IV.1

Ratio of liquid assets to current liabilities as at 30 June 2021: active missions

(Millions of United States dollars)

	<i>Cash assets</i>	<i>Current liabilities</i>	<i>Ratio of liquid assets to current liabilities</i>	
			<i>30 June 2021</i>	<i>30 June 2020</i>
UNFICYP	9.5	9.7	0.98	0.81
UNDOF	25.3	21.0	1.20	1.19
UNIFIL	132.9	175.5	0.76	0.87
MINURSO	1.6	18.2	0.09	0.27
UNMIK	3.2	37.1	0.09	0.08
MONUSCO	144.3	359.1	0.40	0.25
UNAMID	70.6	238.0	0.30	0.13
UNSOS	5.0	231.9	0.02	0.02
UNISFA	21.4	41.4	0.52	0.50
UNMISS	38.7	260.5	0.15	0.19
MINUSMA	230.9	480.4	0.48	0.70
MINUSCA	151.7	271.5	0.56	0.75
Total	835.1	2 144.3	0.39	0.45

48. In respect of the support activities segment, the ratio of cash assets to current liabilities increased from 2.44 at 30 June 2020 to 2.70 at 30 June 2021.

Net assets

49. Net assets of \$393.3 million as at 30 June 2021 consisted of an accumulated surplus of \$131.9 million, a restricted accumulated surplus of \$111.4 million and reserves of \$150.0 million. Net assets decreased in 2020/21 by \$109.4 million, from \$502.7 million as at 30 June 2020 (21.8 per cent decrease). The decrease was due to actuarial loss of \$54.4 million on employee benefits liabilities and deficit in operations of \$55.0 million for the year.

Assets

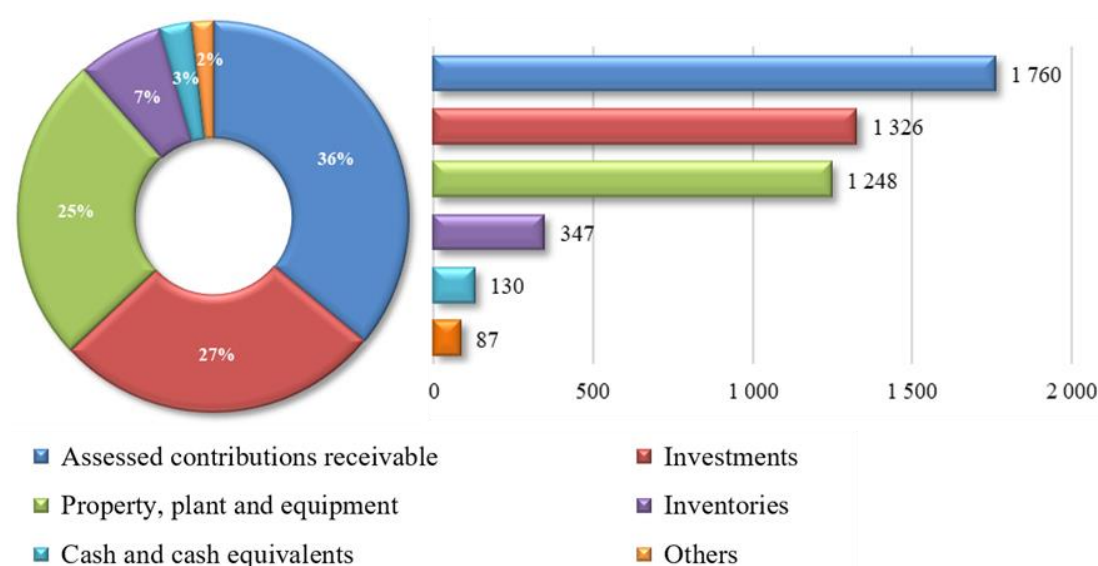
50. The total assets of the peacekeeping operations decreased in 2020/21 by \$199.4 million (3.9 per cent decrease), from \$5,096.6 million to \$4,897.2 million. Investments decreased by \$204.1 million (13.3 per cent decrease), from \$1,529.9 million to \$1,325.8 million; property, plant and equipment by \$98.7 million (7.3 per cent decrease), from \$1,346.3 million to \$1,247.6 million; and cash and cash equivalents by \$9.8 million (7.0 per cent decrease), from \$139.5 million to \$129.7 million. The decrease was offset slightly by an increase in assessed contributions receivable by \$105.6 million (6.4 per cent increase), from \$1,654.8 million to \$1,760.4 million.

51. Figure IV.III presents the structure of the assets of peacekeeping operations totalling \$4,897.2 million as at 30 June 2021. The assets are composed in large part of assessed contributions receivable of \$1,760.4 million (35.9 per cent); investments of \$1,325.8 million (27.1 per cent); and property, plant and equipment of \$1,247.6 million (25.5 per cent).

Figure IV.III

Assets of the peacekeeping operations as at 30 June 2021

(Millions of United States dollars and percentage)



Property, plant and equipment

52. Figure IV.IV presents the composition of the peacekeeping operations' property, plant and equipment by asset class and figure IV.V presents the composition by mission.

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

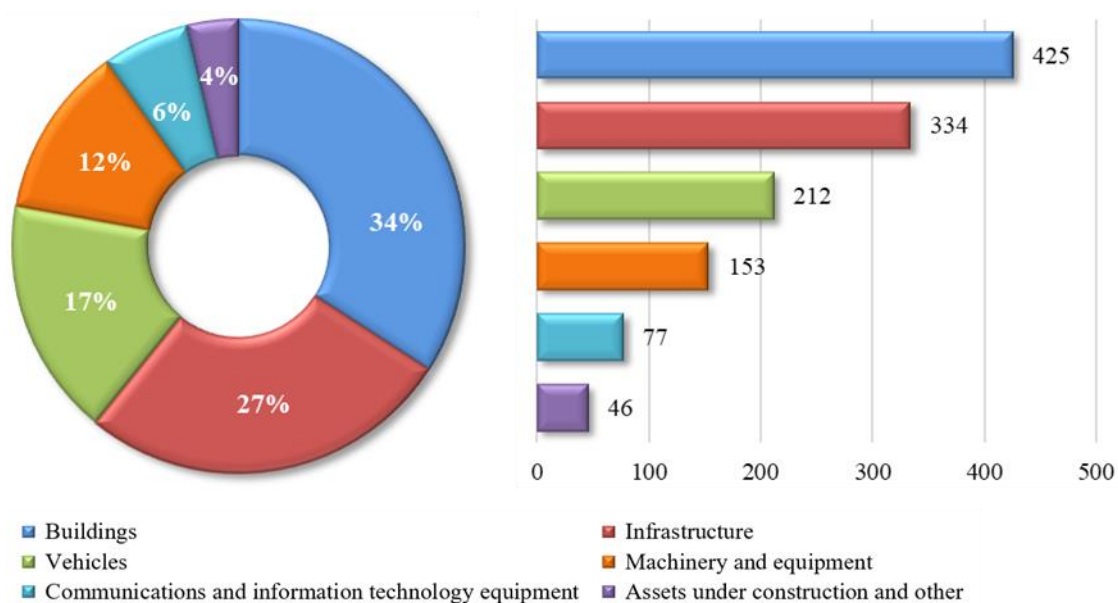
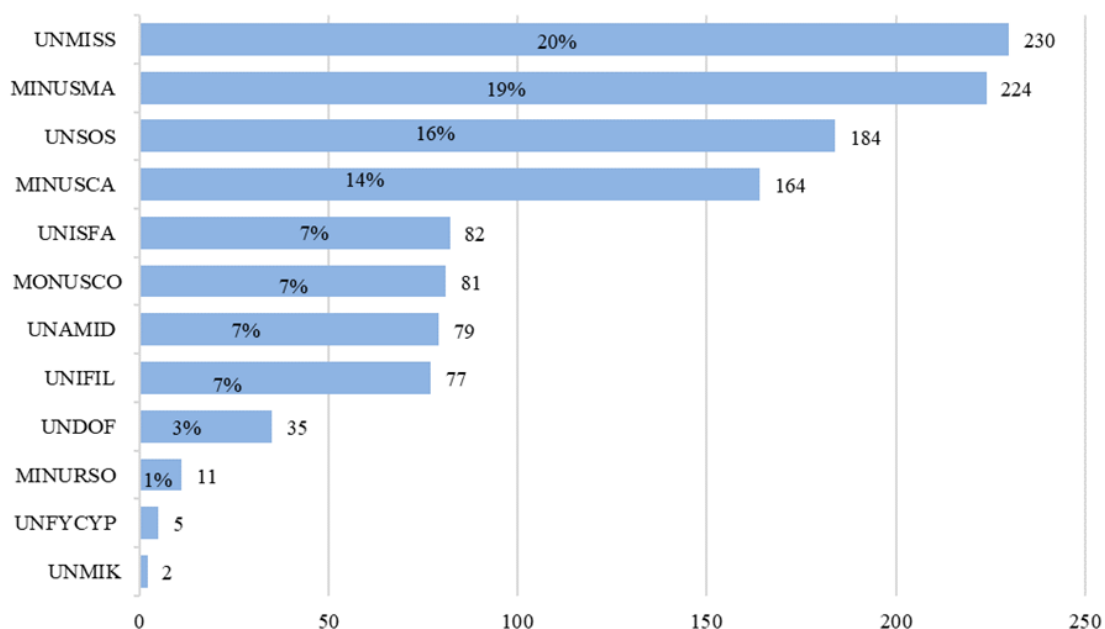
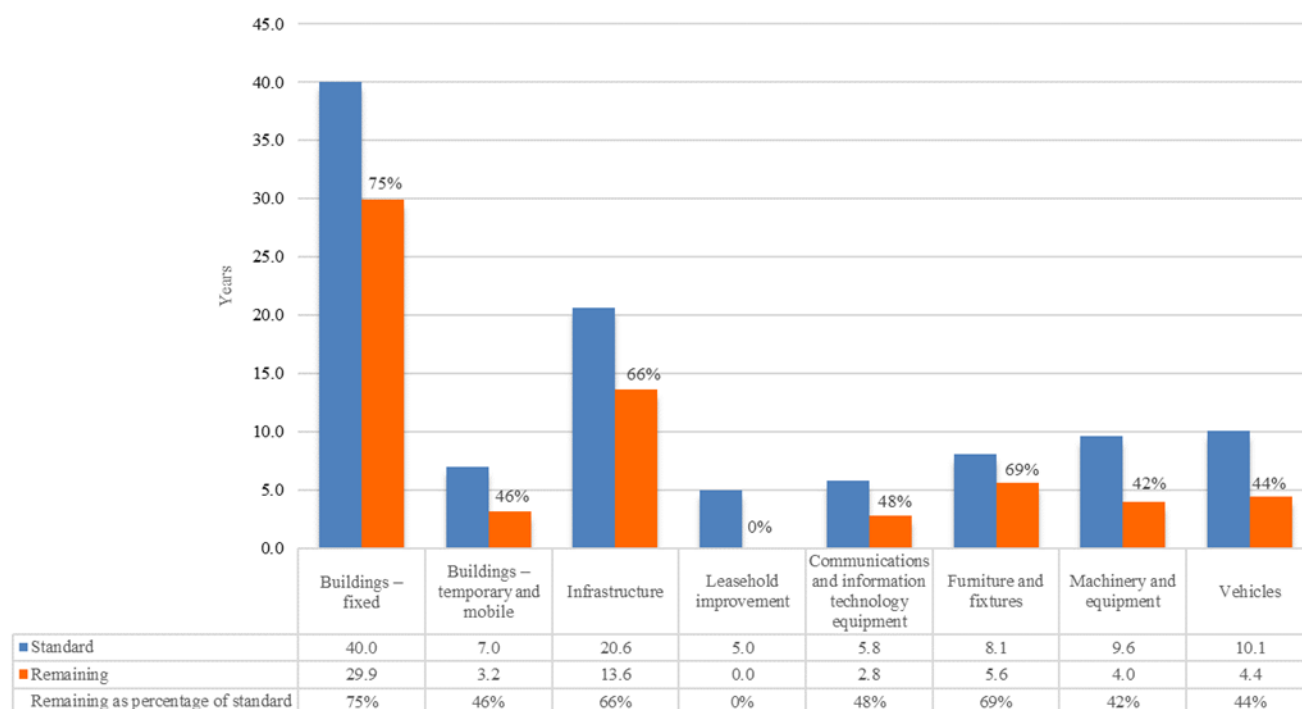


Figure IV.V
Property, plant and equipment by active mission
 (Millions of United States dollars and percentage)



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

Figure IV.VI
Average remaining useful life of property, plant and equipment
 (Years and percentage)



Inventory

54. Missions have continued to make progress in inventory management activities, such as improvements in inventory valuation and the reduction in the use of generic product codes in the procurement process. The increased accuracy in inventory records continues to lead to improvements in the management and financial reporting of inventory. The level of inventory increased in 2020/21 by \$2.5 million (0.7 per cent increase), to \$346.7 million

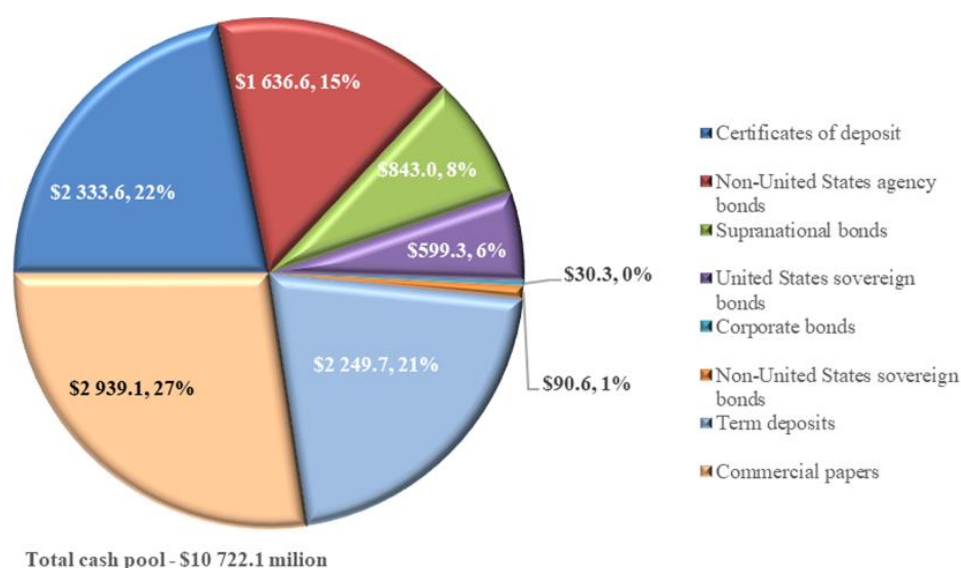
Cash, cash equivalents and investments

55. As at 30 June 2021, peacekeeping operations held cash and cash equivalents and investments of \$1,455.5 million, \$213.9 million less than the ending balance of 2019/20 (12.8 per cent decrease).

56. The cash pools consisted of investments in certificates of deposit, liquid bonds (issued by Governments and government agencies), commercial papers and term deposits (see figure IV.VII). The investments were presented at fair value with the relevant gains/losses recorded in the statement of financial performance. In 2020/21, the peacekeeping operations' share of earnings was \$10.0 million (2019/20: \$48.9 million).

Figure IV.VII
Main cash pool investments by instrument type

(Millions of United States dollars and percentage)



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

Status of assessed contributions receivable

58. Assessed contributions receivable increased by \$105.6 million (6.4 per cent increase), from \$1,654.8 million as at 30 June 2020 to \$1,760.4 million as at 30 June 2021. Table IV.2 illustrates the status of unpaid assessments and figure IV.VIII shows the trend in unpaid assessments.

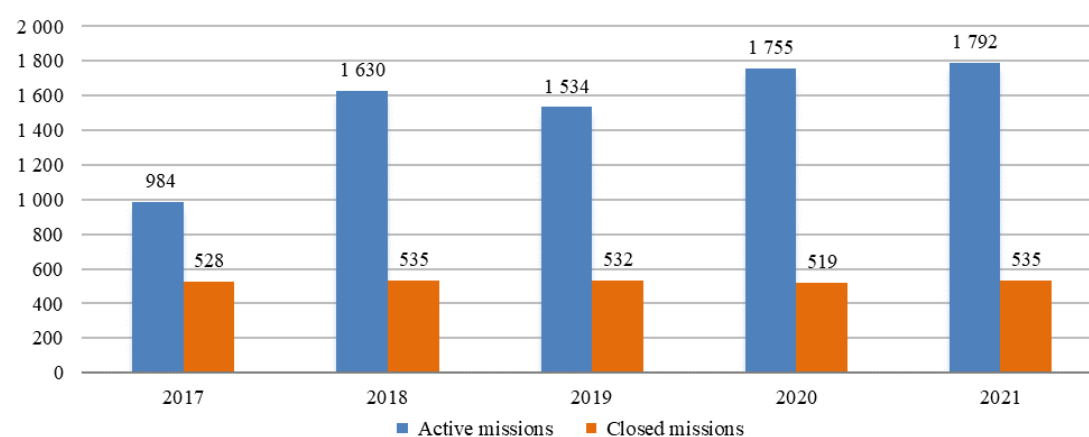
Table IV.2
Assessed contributions receivable
 (Millions of United States dollars and percentage)

	30 June 2021	30 June 2020	Percentage increase (decrease)
Active missions			
Assessed contributions receivable	1 791.7	1 755.2	2.1
Allowance for doubtful receivables	(57.4)	(100.4)	(42.8)
Closed missions			
Assessed contributions receivable	534.7	518.8	3.1
Allowance for doubtful receivables	(508.6)	(518.8)	(2.0)
Total	1 760.4	1 654.8	6.4

Figure IV.VIII

Trend in assessed contributions receivable, before allowance for doubtful accounts

(Millions of United States dollars, at 30 June each year)

**Liabilities**

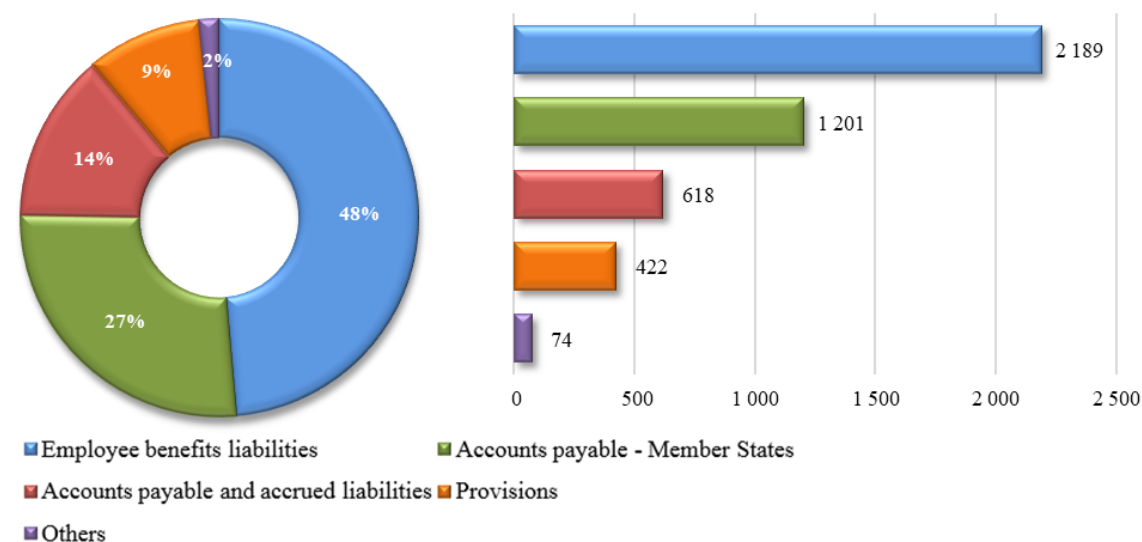
59. The total liabilities of the peacekeeping operations decreased by \$90.0 million (2.0 per cent decrease), from \$4,593.9 million to \$4,503.9 million. The most notable changes were a decrease in accounts payable to Member States by \$358.4 million (23.0 per cent decrease), from \$1,559.0 million to \$1,200.6 million, as well as a reduction in accounts payable and accrued liabilities by \$75.5 million (10.9 per cent decrease), from \$693.6 million to \$617.8 million. The overall decrease in liabilities was offset in part by an increase in employee benefits liabilities of \$187.2 million (9.3 per cent increase), from \$2,002.2 million to \$2,189.4 million, and an increase in provisions of \$149.4 million (54.7 per cent increase), from \$273.1 million to \$422.5 million.

60. Figure IV.IX presents the structure of the peacekeeping operations' liabilities as at 30 June 2021. The liabilities comprised in large part employee benefits liabilities of \$2,189.4 million, accounts payable to Member States of \$1,200.6 million and other accounts payable and accrued liabilities of \$617.8 million.

Figure IV.IX

Liabilities as at 30 June 2021

(Millions of United States dollars and percentage)

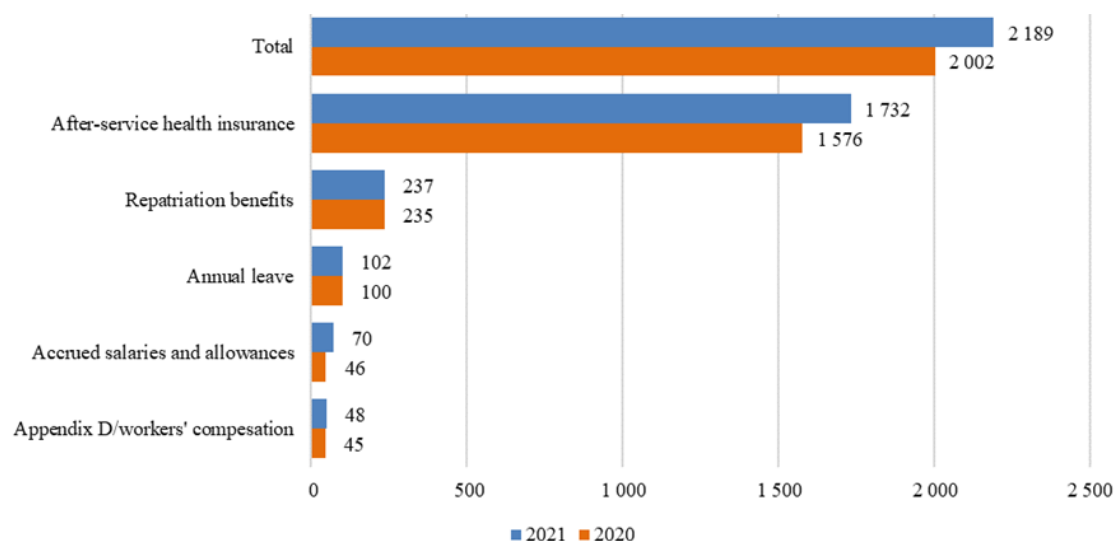


Employee benefits liabilities

61. Employee benefits liabilities, as depicted in figure IV.X, consisted largely of liabilities related to after-service health insurance of \$1,731.9 million, repatriation benefits of \$237.0 million and annual leave benefits of \$102.3 million. Those liabilities were valued by independent actuaries. The increase in liabilities from the prior year was attributable mainly to an increase in health-care cost trend rates.

Figure IV.X
Employee benefits liabilities

(Millions of United States dollars)



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

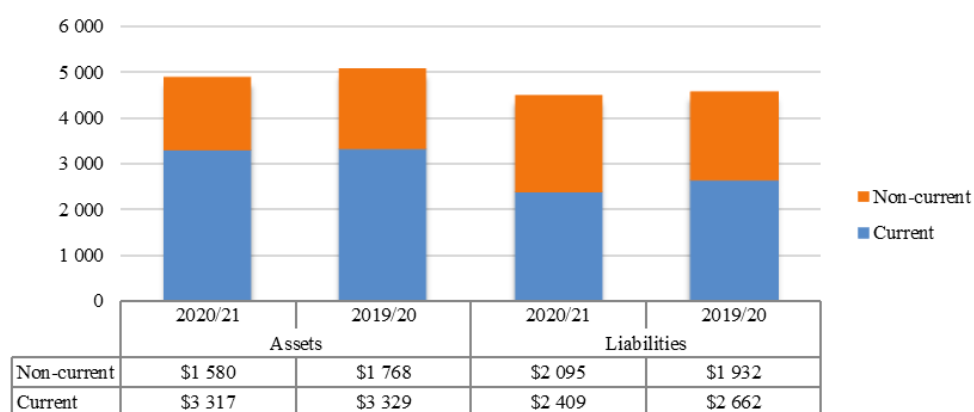
Accounts payable and accrued liabilities

63. Accounts payable to Member States decreased by \$358.4 million (23.0 per cent decrease), from \$1,559.0 million to \$1,200.6 million, owing mainly to a reduction in payables to troop-contributing countries. Accounts payable and accrued liabilities decreased by \$75.7 million (10.9 per cent decrease), from \$693.6 million to \$617.8 million. Those liabilities consisted mainly of accruals for goods and services of \$444.4 million (2019/20: \$535.5 million) and vendor payables of \$153.9 million (2019/20: \$141.0 million).

64. Figure IV.XI provides the structure of the peacekeeping operations accounts by current and non-current assets and liabilities as at 30 June 2021 and 30 June 2020, indicating little change in non-current assets and non-current liabilities.

Figure IV.XI
Assets and liabilities: current and non-current

(Millions of United States dollars)



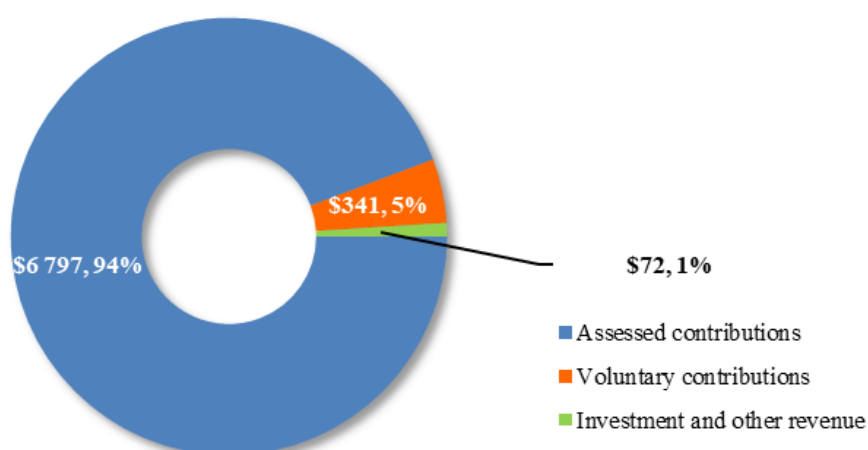
Financial performance

Revenue analysis

65. The total revenue of the peacekeeping operations for the period ending 30 June 2021 was \$7,210.4 million, compared with total expenses of \$7,265.5 million, resulting in an excess of total expenses over total revenue of \$55.0 million. The net decrease in revenue by \$130.1 million was attributable mainly to a decrease in assessed contributions of \$101.2 million (1.5 per cent decrease) and a decrease in investment revenue of \$39.2 million (78.9 per cent decrease), offset by a minimal increase in voluntary contributions. Figure IV.XII provides an analysis of revenue by nature.

Figure IV.XII
Revenue by nature

(Millions of United States dollars and percentage)



Assessed contributions revenue

66. Assessed contributions of \$6,796.8 million accounted for 94.3 per cent of the total revenue for the peacekeeping operations during 2020/21 (2019/20: 94.0 per cent). Assessed contributions are based on a scale of peacekeeping assessment approved by the General Assembly.

67. Assessed contributions decreased by \$101.2 million (1.5 per cent decrease), from \$6,898.0 million in 2019/20 to \$6,796.8 million in 2020/21. The liquidation of MINUJUSTH was finalized, with no assessed contributions for the period 2020/21 (2019/20: \$52.4 million). Further drawdowns were observed in UNAMID, MONUSCO, UNMISS and UNSOS, with decreases in assessed contributions of \$31.0 million, \$22.7 million, \$29.8 million and \$14.8 million, respectively. The decrease in assessed revenue was offset in part by increases in assessed revenue for MINUSCA and MINUSMA (owing to the extension of their mandates in October 2020), of \$30.0 million and \$19.0 million, respectively. Table IV.3 presents the status of assessment for active missions.

Table IV.3
Assessments

(Millions of United States dollars and percentage)

	2020/21	2019/20	Percentage increase (decrease)
UNFICYP	31.3	30.6	2.3
UNDOF	67.6	76.4	(11.5)
UNIFIL	512.8	512.1	0.1
MINURSO	61.7	60.5	2.0
UNMIK	42.5	39.7	7.1
MONUSCO	1 163.2	1 185.9	(1.9)
MINUJUSTH	—	52.4	(100.0)
UNAMID	502.3	533.3	(5.8)
UNSOS	590.9	605.7	(2.4)
UNISFA	283.1	279.1	1.4
UNMISS	1 264.9	1 294.7	(2.3)
MINUSMA	1 270.1	1 251.1	1.5
MINUSCA	1 006.4	976.4	3.1
Total	6 796.8	6 897.9	(1.5)

Voluntary contributions

68. Voluntary contributions, as shown in table IV.4, increased slightly by \$17.0 million (5.2 per cent increase), owing mainly to an increase in amounts recognized under facilities and premises (increase of \$14.0 million from the prior period).

Table IV.4
Voluntary contributions

(Millions of United States dollars and percentage)

	2020/21	2019/20	Percentage increase (decrease)
Monetary	23.9	23.7	0.8
Goods and rights-to-use			
Facilities	296.4	282.4	5.0
Landing rights	18.4	16.3	12.9
Others	2.6	1.9	36.8
Total	341.3	324.3	5.2

Investment and other revenue

69. The decrease of \$45.9 million in investment and other revenue was attributable mainly to a decrease in investment revenue of \$39.2 million (78.9 per cent decrease). The decrease in investment revenue, which is reported at \$10.5 million (2019/20: \$49.7 million), is due to a historically low rate of return in the cash pool of 0.58 per cent in 2021, compared with 1.92 per cent in 2020.

Expense analysis

70. Total expenses decreased by \$71.4 million (1.0 per cent decrease), from \$7,336.9 million in 2019/20 to \$7,265.5 million in 2020/21. The decrease in expenses was in line with the decrease in appropriations, as well as restrictions due to the COVID-19 pandemic. The reductions in expenses were attributable to other operating expenses (decrease of \$184.6 million); contingent contracted services (decrease of \$71.0 million); supplies and consumables (decrease of \$32.2 million); and non-employee compensation and allowances (decrease of \$14.4 million). The decreases in the aforementioned expense lines were offset in part by increases in credits to Member States (increase of \$168.0 million); employee salaries, allowances and benefits (increase of \$66.1 million); and other expenses (increase of \$16.9 million).

71. Figures IV.XIII and IV.XIV highlight expenses by nature, showing that there was little change in the composition of expenses. Contingent contracted services accounted for 33 per cent (34 per cent in 2019/20) of total expenses, followed by employee salaries, allowances and benefits of 25 per cent (24 per cent in 2019/20) and other operating expenses of 17 per cent (19 per cent in 2019/20).

Figure IV.XIII

Expenses by nature

(Millions of United States dollars and percentage)

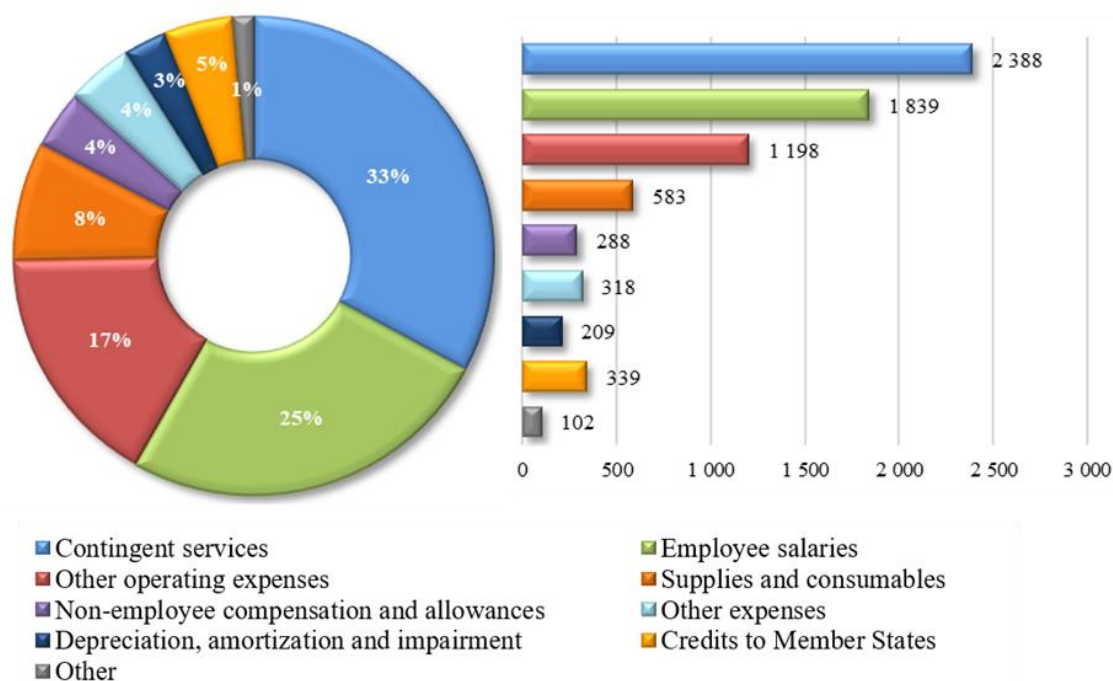
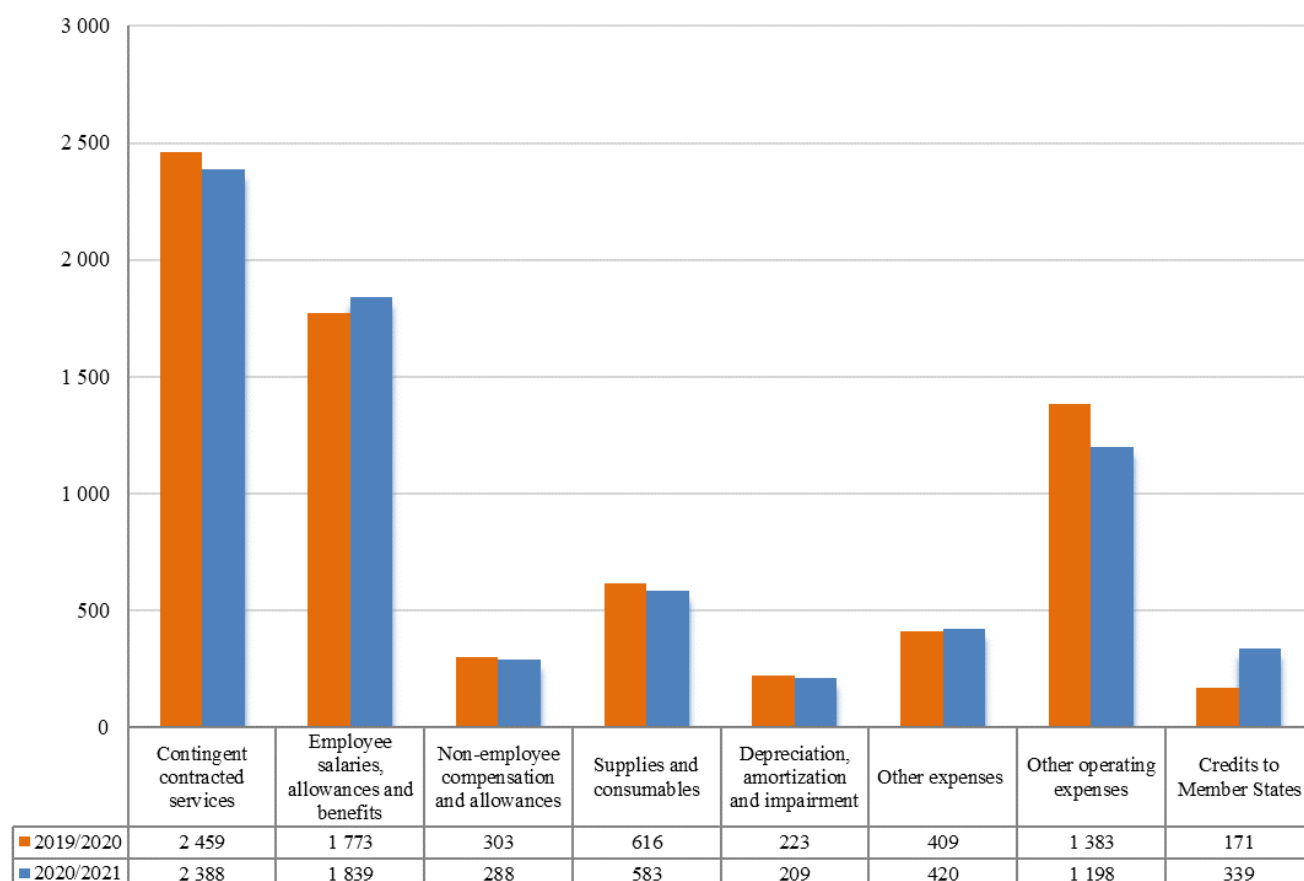


Figure IV.XIV
Changes in expenses by nature

(Millions of United States dollars)

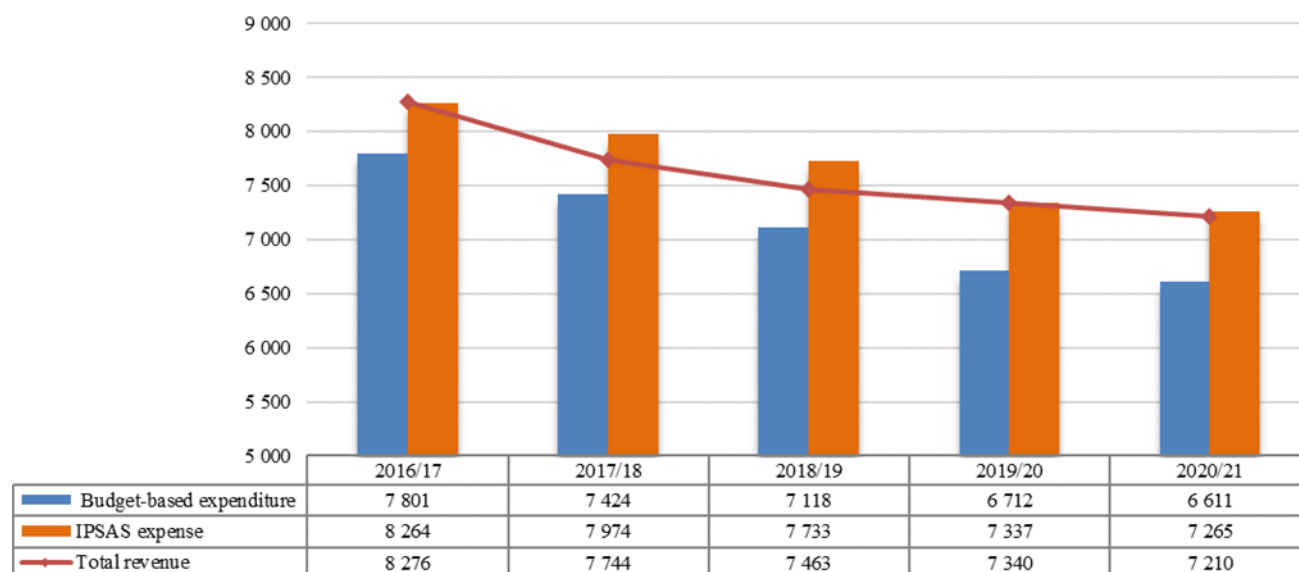


^a For the purposes of the present chart, the category includes: other expenses (2019/20: \$300.7 million and 2020/21: \$317.6 million); self-insurance claims and expenses (2019/20: \$2.2 million and 2020/21: \$2.4 million); travel (2019/20: \$20.1 million and 2020/21: \$15.0 million); and grants and other transfers (2019/20: \$86.1 million and 2020/21: \$84.5 million).

72. Figure IV.XV illustrates the trend in expenses of peacekeeping operations (on the basis of IPSAS) for fiscal period 2020/21 and four preceding periods, including in comparison with expenditure (on a modified cash basis), as well as total revenue over the same period.

Figure IV.XV
Trend of expenses

(Millions of United States dollars)



F. Peacekeeping operations budgets

73. The peacekeeping operations budgets continue to be prepared on a modified cash basis and are presented in statement V. Approved budgets are those that authorize expenditure to be incurred and are approved by the General Assembly. For IPSAS reporting purposes, approved budgets are the appropriations authorized under Assembly resolutions and the commitment authorities approved by the Advisory Committee on Administrative and Budgetary Questions. The Assembly resolutions are shown in note 6. Annex II to the peacekeeping financial statements further provides the comparison of budget and actual amounts on the budget basis for each peacekeeping mission.

G. Risk and uncertainty

Unpaid assessed contributions

74. A number of Member States have failed to pay in full their assessed contributions for peacekeeping operations, leading to arrears of \$2,326 million as at 30 June 2021. The arrears grew rapidly over the past four years, from \$1,512 million as at 30 June 2017, representing an increase of 53.8 per cent. This increasing trend in the level of unpaid assessments continued to present a liquidity challenge to peacekeeping operations and has resulted in delays in the settlement of amounts owed to troop- and police-contributing countries.

75. There has been some recent improvement in the liquidity situation of peacekeeping operations following the decisions of the General Assembly, in its resolution [73/307](#), to approve the management of cash balances of all active peacekeeping operations as a pool and to issue assessment letters for the full budget period approved by the Assembly. While these measures have facilitated efforts to reimburse troop- and police-contributing countries in a timelier manner, they have not solved the problem in full, and delays in the settlement of amounts owed to troop- and police-contributing countries remain a major concern.

76. The Secretariat has made concerted efforts to encourage Member States to settle their unpaid assessments, including those related to closed missions that have been outstanding for several years. The amounts of unpaid assessments are made available to the Member States on an ongoing basis through an online portal that facilitates the tracking of payments of assessed contributions. In accordance with Article 19 of the Charter of the United Nations, the Secretariat publishes an official document each year containing the list of those Member States with arrears exceeding the last two years' worth of assessments. In addition, the Under-Secretary-General for Management Strategy, Policy and Compliance presents the financial situation of the Organization to the Fifth Committee at the start of each main session and the second resumed session and appeals to the Member States with arrears to pay their assessed contributions.

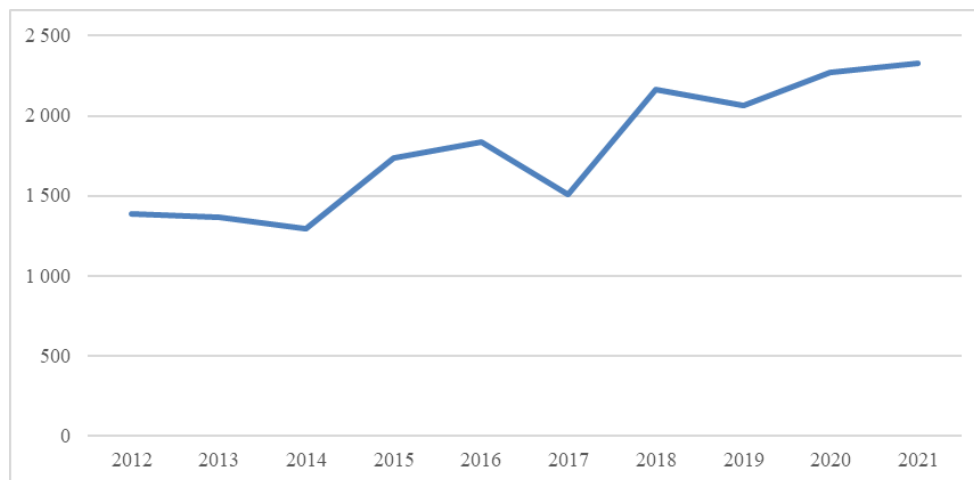
77. The Secretary-General, in his reports and direct communication to Member States, continues to urge the settlement of outstanding assessed contributions and to request Member States to provide solutions to address the liquidity situation of peacekeeping operations.

78. Figure IV.XVI represents unpaid assessed contributions for peacekeeping operations over the 10-year period of 2012–2021.

Figure IV.XVI

Total unpaid assessed contributions for peacekeeping operations, 2012–2021

(Millions of United States dollars)



Coronavirus disease

79. The COVID-19 pandemic remained a global challenge and continued to affect the global economy in an unprecedented manner. The peacekeeping operations adapted their ways of working in order to respond flexibly to the impact of the pandemic, with a coordinated response across missions designed to maintain the effective implementation of activities while ensuring the protection of staff and uniformed personnel.

80. The impact of COVID-19 has been uneven globally and it will continue to present a variety of challenges and risks, such as heightened economic uncertainty, disruptions in the global supply chain and challenges in ensuring the safety of personnel on the ground. There is a particularly high degree of uncertainty regarding the trajectory of the pandemic and the time needed to return to a pre-pandemic environment. It is expected that the pandemic will continue to delay the implementation of many projects of peacekeeping operations as a result of travel restrictions and limits placed on physical access to certain locations, as well as supply bottlenecks, especially in missions that have long logistical routes for operations in remote areas.

Chapter V

Financial statements for the year ended 30 June 2021

I. Statement of financial position as at 30 June 2021

(Thousands of United States dollars)

	<i>Note</i>	<i>30 June 2021</i>	<i>30 June 2020</i>
Assets			
Current assets			
Cash and cash equivalents	7	129 671	139 462
Investments	23	996 073	1 111 525
Assessed contributions receivable	8	1 760 401	1 654 826
Voluntary contributions receivable	9	—	—
Other receivables	10	49 171	46 835
Inventories	11	346 655	344 187
Other assets	12	35 044	31 897
Total current assets		3 317 015	3 328 732
Non-current assets			
Investments	23	329 716	418 386
Property, plant and equipment	13	1 247 594	1 346 260
Intangible assets	14	2 847	3 176
Total non-current assets		1 580 157	1 767 822
Total assets		4 897 172	5 096 554
Current liabilities			
Accounts payable – Member States	15	1 200 602	1 558 965
Accounts payable and accrued liabilities	15	617 830	693 564
Advance receipts	16	13 848	6 846
Employee benefits liabilities	17	94 906	70 202
Provisions	18	422 464	273 111
Other liabilities	19	59 792	59 196
Current liabilities		2 409 442	2 661 884
Non-current liabilities			
Employee benefits liabilities	17	2 094 444	1 931 972
Non-current liabilities		2 094 444	1 931 972
Total liabilities		4 503 886	4 593 856
Net of total assets and total liabilities		393 286	502 698
Net assets			
Accumulated surpluses – unrestricted	20	131 913	241 325
Accumulated surpluses – restricted	20	111 373	111 373
Reserves	21	150 000	150 000
Total net assets		393 286	502 698

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

II. Statement of financial performance for the year ended 30 June 2021

(Thousands of United States dollars)

	<i>Note</i>	<i>2020/21</i>	<i>2019/20</i>
Revenue			
Assessed contributions	22	6 796 756	6 897 950
Voluntary contributions	22	341 347	324 278
Investment revenue	23	10 489	49 717
Other transfers and allocations	22	1 412	1 424
Other revenue	22	60 424	67 124
Total revenue		7 210 428	7 340 493
Expenses			
Employee salaries, allowances and benefits	24	1 839 459	1 773 350
Contingent contracted services	24	2 388 315	2 459 283
Non-employee compensation and allowances	24	288 236	302 643
Grants and other transfers	24	84 543	86 094
Supplies and consumables	24	583 454	615 692
Depreciation	13	208 747	222 380
Amortization	14	551	578
Travel	24	15 009	20 070
Self-insurance claims and expenses	24	2 365	2 225
Other operating expenses	24	1 197 891	1 382 536
Other expenses	24	317 587	300 687
Credits to Member States	25	339 297	171 329
Total expenses		7 265 454	7 336 867
Surplus/(deficit) for the year		(55 026)	3 626

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

III. Statement of changes in net assets for the year ended 30 June 2021

(Thousands of United States dollars)

	<i>Accumulated surpluses/(deficits) – unrestricted</i>	<i>Accumulated surpluses – restricted</i>	<i>Reserves</i>	<i>Total</i>
Net assets as at 1 July 2019	28 909	111 373	150 000	290 282
Changes in net assets				
Actuarial gain on employee benefits liabilities	208 790	–	–	208 790
Surplus for the year ended 30 June 2020	3 626	–	–	3 626
Net assets as at 30 June 2020	241 325	111 373	150 000	502 698
Changes in net assets				
Actuarial loss on employee benefits liabilities ^a	(54 386)	–	–	(54 386)
Deficit for the year ended 30 June 2021	(55 026)	–	–	(55 026)
Net assets as at 30 June 2021	131 913	111 373	150 000	393 286

^a Actuarial loss of \$50.670 million for defined-benefit liabilities (see note 17), and actuarial loss of \$3.716 million for workers' compensation.

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

IV. Statement of cash flows for the year ended 30 June 2021

(Thousands of United States dollars)

	<i>Note</i>	<i>2020/21</i>	<i>2019/20</i>
Cash flows from operating activities			
Surplus/(deficit) for the year		(55 026)	3 626
<i>Non-cash movements</i>			
Depreciation and amortization	13, 14	209 298	222 958
<i>Changes in assets</i>			
(Increase)/decrease in assessed contributions receivable	8	(105 575)	(172 205)
(Increase)/decrease in voluntary contributions receivable	9	–	7 222
(Increase)/decrease in other receivables	10	(2 336)	(2 557)
(Increase)/decrease in inventories	11	(2 468)	(11 027)
(Increase)/decrease in other assets	12	(3 147)	(5 316)
<i>Changes in liabilities</i>			
Increase/(decrease) in accounts payable – Member States	15	(358 363)	221 378
Increase/(decrease) in accounts payable – other	15	(75 734)	(16 944)
Increase/(decrease) in advance receipts	16	7 002	(20 819)
Increase/(decrease) in employee benefits liabilities	17	132 790	118 384
Increase/(decrease) in provisions	18	149 353	39 366
Increase/(decrease) in other liabilities	19	596	(30)
Investment revenue presented as investing activities	23	(10 489)	(49 717)
Net cash flows (to)/from operating activities		(114 099)	334 319
Cash flows from investing activities			
Net contribution from/(to) cash pool investments		204 122	(300 390)
Investment revenue presented as investing activities	23	10 489	49 717
Net increase in property, plant and equipment	13	(110 081)	(22 903)
Investment in intangible assets	14	(222)	–
Net cash flows from/(to) investing activities		104 308	(273 576)
Net decrease in cash and cash equivalents		(9 791)	60 743
Cash and cash equivalents – beginning of year		139 462	78 719
Cash and cash equivalents – end of year	7	129 671	139 462

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

V. Statement of comparison of budget and actual amounts for the year ended 30 June 2021

(Thousands of United States dollars)

Appropriated activities	Budget		Actual revenue/ expenditure budget basis	Difference ^a (percentage)
	Original	Final		
Revenue				
Assessed contributions	6 787 739	6 787 739	6 787 739	–
Voluntary contributions, budgeted	24 958	24 958	24 551	(1.63)
Allocations from other funds	1 412	1 412	1 412	
Total revenue	6 814 109	6 814 109	6 813 702	(0.01)
Expenditure				
Active missions ^b				
UNFICYP	55 710	55 710	55 496	(0.38)
UNDOF	67 574	67 574	64 513	(4.53)
UNIFIL	512 754	512 754	500 838	(2.32)
MINURSO	62 259	62 259	60 757	(2.41)
UNMIK	42 488	42 488	42 344	(0.34)
MONUSCO	1 154 141	1 154 141	1 080 924	(6.34)
UNAMID	502 288	502 288	494 943	(1.46)
UNSOS	590 957	590 957	565 964	(4.23)
UNISFA	283 115	283 115	282 519	(0.21)
UNMISS	1 264 878	1 264 878	1 258 264	(0.52)
MINUSMA	1 270 104	1 270 104	1 190 078	(6.30)
MINUSCA	1 006 429	1 006 429	1 005 035	(0.14)
Total active missions	6 812 697	6 812 697	6 601 675	(3.10)
Less: prorated costs of support account	(349 975)	(349 975)	(349 975)	–
Less: prorated costs of UNLB – other activities	(58 994)	(58 994)	(58 994)	–
Less: prorated costs of RSCE	(35 581)	(35 581)	(35 581)	–
Total active missions, excluding prorated costs	6 368 147	6 368 147	6 157 125	(3.31)
Support activities				
Support account	355 694	355 694	355 493	(0.06)
UNLB – other activities	62 058	62 058	62 053	(0.01)
RSCE	37 159	37 159	36 285	(2.35)
Total support activities	454 911	454 911	453 831	(0.24)
Total expenditure, in accordance with 2020/21 budget-based active missions and support activities	6 823 058	6 823 058	6 610 956	(3.11)
Net total	(8 949)	(8 949)	202 746	

<i>Non-appropriated activities</i>	<i>Funding</i>	<i>Expenditure</i>
UNLB – strategic deployment stock activities ^c	92 291	28 609
Reserve fund for workers' compensation ^d	2 451	2 427
Peacekeeping Reserve Fund	–	8
Peacekeeping cost recovery ^e	116 922	110 774
Total non-appropriated activities	211 664	141 818

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

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

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

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

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

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

**United Nations peacekeeping operations as reported in volume II
Notes to the 2020/21 financial statements**

Note 1

Reporting entity

United Nations and its activities

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

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

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

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

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

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

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

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

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

United Nations peacekeeping operations

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

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

6. United Nations peacekeeping operates under the direction of the Security Council; as deemed appropriate by vote of the Council, peacekeeping missions are established, extended, amended or ended. Under Article 25 of the Charter, all States Members of the United Nations agree to accept and carry out the decisions of the Council; while other organs make recommendations to Member States, the Council alone has the power to take decisions that Member States are obligated to follow. United Nations peacekeeping has unique strengths, including legitimacy, burden-sharing and an ability to deploy and sustain troops and police from around the world, integrating them with civilian peacekeepers to advance multidimensional mandates. As at 30 June 2021, there were 12 active United Nations peacekeeping missions (30 June 2020: 13 active missions) deployed across four continents.

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

Note 2

Basis of preparation and authorization for issue

Basis of preparation

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

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

Going concern

9. The going-concern assertion is based on the approval by the General Assembly of the budget appropriations for peacekeeping operations for the 2021/22 financial year, the positive historical trend of collection of assessed contributions over the past years and the fact that the Assembly and the Security Council have not made any decisions to cease the operations of the peacekeeping operations as a whole.

Authorization for issue

10. These financial statements are certified by the Controller and approved by the Secretary-General of the United Nations. In accordance with financial regulation 6.2, the Secretary-General transmits these financial statements as at 30 June 2021 to the Board of Auditors by 30 September 2021. In accordance with financial regulation 7.12, the reports of the Board of Auditors are transmitted to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions, together with the audited financial statements.

Measurement basis

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

Functional and presentation currency

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

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

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

Materiality and use of judgment and estimates

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

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

17. Accounting estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include actuarial measurement of employee benefits; selection of useful lives and the depreciation and amortization methods for property, plant and equipment and intangible assets; impairment of assets; classification of financial instruments; valuation of inventory; inflation and discount rates used in the calculation of the present value of provisions; and classification of contingent assets and liabilities.

Future accounting pronouncements

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

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

(b) Non-exchange expenses: the aim of the project is to develop a standard or standards that provide recognition and measurement requirements applicable to providers of non-exchange transactions, except for social benefits. The IPSAS Board is expected to issue the standard by the end of 2021. It is possible that this new standard, on transfer expenses, will result in a prospective change in accounting policy for the recognition of some categories of non-exchange expenses of the United Nations, including transfers to implementing partners;

(c) Revenue: the scope of the project is to develop new standard-level requirements and guidance on revenue to amend or supersede those currently located in IPSAS 9: Revenue from exchange transactions; IPSAS 11: Construction contracts; and IPSAS 23: Revenue from non-exchange transactions (taxes and transfers). The IPSAS Board is expected to issue the standard by the end of 2021;

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

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

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

Recent and future requirements of International Public Sector Accounting Standards

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

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

Standard	Anticipated impact in the year of adoption
	IPSAS 41: its effective date was deferred to 1 January 2023 owing to the COVID-19 pandemic and the challenges that it has created. Its impact on the financial statements of the peacekeeping operations will be assessed prior to that date.
IPSAS 42	IPSAS 42: Social benefits, provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include State retirement benefits, disability benefits, income support and unemployment benefits. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment. IPSAS 42: its effective date was deferred to 1 January 2023 owing to the COVID-19 pandemic and the challenges that it has created. Currently, there are no such social benefits in the peacekeeping operations.

Note 3 Significant accounting policies

Financial assets: classification

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

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

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

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

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

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

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

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

Financial assets: investment in cash pools

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

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

Financial assets: cash and cash equivalents

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

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

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

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

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

(c) Receivables that are past due in excess of two years for which Member States have specifically contested the balance: 100 per cent allowance. Any contested amount outstanding for fewer than two years will be disclosed in the notes to the financial statements;

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

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

Financial assets: receivables from exchange transactions – other receivables

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

Other assets

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

Inventories

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

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

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

35. The carrying amount of inventories is expensed when inventories are sold, exchanged, distributed externally or consumed by the United Nations peacekeeping operations. Net realizable value is the net amount that is expected to be realized from

the sale of inventories in the ordinary course of operations. Current replacement cost is the estimated cost that would be incurred to acquire the asset.

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

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

Heritage assets

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

Property, plant and equipment

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

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

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

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

40. Property, plant and equipment are depreciated over their estimated useful lives using the straight-line method up to their residual value, except for land and assets under construction, which are not subject to depreciation. Given that not all components of a building have the same useful life or have the same maintenance, upgrade or replacement schedules, significant components of owned buildings are depreciated using the components approach. Depreciation commences in the month when the United Nations peacekeeping operation gains control over an asset in accordance with international commercial terms and no depreciation is charged in the month of the retirement or disposal. Given the expected pattern of usage of property, plant and equipment, the residual value is nil unless the residual value is likely to be significant. The estimated useful lives of property, plant and equipment classes are set out below.

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

41. Where there is a material cost value of fully depreciated assets that are still in use, adjustments to accumulated depreciation and property, plant and equipment are incorporated into the financial statements to reflect a residual value of 10 per cent of historical cost based on an analysis of the classes and useful lives of the fully depreciated assets.

42. The peacekeeping operations selected the cost model, instead of the revaluation model, for the measurement of property, plant and equipment after initial recognition. Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item

will flow to the peacekeeping operations and the subsequent cost exceeds the threshold for initial recognition. Repairs and maintenance are expensed in the statement of financial performance in the year in which they are incurred.

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

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

Intangible assets¹

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

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

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

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

Financial liabilities: classification

48. Financial liabilities are classified as other financial liabilities. They include accounts payable, unspent funds held for future refund and other liabilities such as balances payable to other United Nations system reporting entities. Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with durations of

¹ No intangible assets with an indefinite useful life were recorded in 2020/21.

fewer than 12 months are recognized at their nominal value. The peacekeeping operations re-evaluate the classification of financial liabilities at each reporting date and derecognize financial liabilities when contractual obligations are discharged, waived, cancelled or expired.

Financial liabilities: accounts payable and accrued expenses

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

Advance receipts and other liabilities

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

Leases: the peacekeeping operations as lessee²

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

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

Leases: the peacekeeping operations as lessor

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

Donated rights to use

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

55. When a donated right-to-use arrangement is classified as an operating lease, an expense and corresponding revenue equal to the annual market rent of similar property are recognized in the financial statements. Where a donated right-to-use arrangement is classified as a finance lease (principally with a lease term of more than 35 years for premises), the fair market value of the property is capitalized and

² No finance lease contracts were recorded in 2020/21.

depreciated over the shorter of the term of the arrangement or the useful life of the property. In addition, a liability for the same amount is recorded and progressively recognized as revenue over the lease term.

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

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

Employee benefits

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

Short-term employee benefits

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

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

Post-employment benefits

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

Defined-benefit plans

62. The following benefits are accounted for as defined-benefit plans: after-service health insurance, repatriation benefits (post-employment benefits) and accumulated annual leave that is commuted to cash upon separation from the Organization (other long-term benefit). Defined-benefit plans are those where the peacekeeping operations have an obligation to provide agreed benefits and therefore bear the actuarial risks. The liability for defined-benefit plans is measured at the present value of the defined-benefit obligation. Changes in the liability for defined-benefit plans,

excluding actuarial gains and losses, are recognized in the statement of financial performance in the year in which they occur. The peacekeeping operations have elected to recognize changes in the liability valuation from actuarial gains and losses directly through the statement of changes in net assets. As at the reporting date, the peacekeeping operations did not hold any plan assets as defined under IPSAS 39: Employee benefits.

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

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

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

66. **Annual leave.** The liabilities for annual leave represent unused accumulated leave days that are projected to be settled by means of a monetary payment to employees upon their separation from the Organization. The United Nations recognizes as a liability the actuarial value of the total accumulated unused leave days of all staff members, up to a maximum of 60 days (18 days for temporary staff) as at the date of the statement of financial position. The methodology applies a last-in-first-out assumption in the determination of the annual leave liabilities, whereby staff members gain access to current period leave entitlements before they gain access to accumulated annual leave balances relating to prior periods. Effectively, the accumulated annual leave benefit is accessed more than 12 months after the end of the reporting period in which the benefit arose and, overall, there is an increase in the level of accumulated annual leave days, pointing to the commutation of accumulated annual leave to a cash settlement at end of service as the true liability of the Organization. The accumulated annual leave benefit reflecting the outflow of economic resources from the Organization at end of service is therefore classified as “other long-term benefit”, noting that the portion of the accumulated annual leave benefit that is expected to be settled by means of a monetary payment within 12 months after the reporting date is classified as a current liability. In line with IPSAS 39: Employee benefits, other long-term benefits must be valued similarly as post-employment benefits; therefore, the peacekeeping operation values its accumulated annual leave benefit liability as a defined post-employment benefit that is actuarially valued.

Pension plan: United Nations Joint Staff Pension Fund

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

Termination benefits

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

Other long-term employee benefits

69. Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service. Accumulated annual leave is an example of a long-term employee benefit.

70. Appendix D to the Staff Regulations and Rules governs compensation in the event of death, injury or illness attributable to the performance of official duties on behalf of the United Nations. Actuaries value these liabilities and actuarial gains or losses in the liability are recognized in the statement of changes in net assets.

Provisions

71. Provisions are liabilities recognized for future expenditure of an uncertain amount or timing. A provision is recognized if, as a result of a past event, the peacekeeping operation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured as the best estimate of the amount required to settle the present obligation as at the reporting date. Where the effect of the time value of money is material, the provision is the present value of the amount expected to be required to settle the obligation.

72. Uncommitted balances of the current-year appropriations and expired balances of the appropriations retained from prior years are required to be surrendered to the Member States. Investment income and other income are also returned to the Member States, together with the surrendered appropriations. At the reporting date, provisions are made for the surplus balances to be returned to the Member States with an adjustment to net assets. The surplus balances remain as provisions until the General Assembly decides the manner of their disposal.

Contingent liabilities

73. Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the peacekeeping operations, or present obligations that arise from past events but are not recognized because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations or because the amount of the obligations cannot be reliably measured.

Contingent assets

74. Contingent assets represent possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the peacekeeping operations.

Commitments

75. Commitments are future expenses that are to be incurred on contracts entered into by the reporting date and that the peacekeeping operations have minimal, if any, discretion to avoid in the ordinary course of operations. Commitments include capital commitments (the amount of contracts for capital expenses that are not paid or accrued by the reporting date), contracts for the supply of goods and services that will be delivered to the peacekeeping operations in future periods, non-cancellable minimum lease payments and other non-cancellable commitments.

Non-exchange revenue: assessed contributions

76. Assessed contributions for the peacekeeping operations are assessed and approved for a one-year budget period. Assessed contributions are recognized as revenue at the beginning of the year.

77. Assessed contributions include the amounts assessed to the Member States to finance the activities of the peacekeeping operations in accordance with the scale of assessments determined by the General Assembly. Revenue from assessed contributions from Member States and from non-member States is presented in the statement of financial performance.

Non-exchange revenue: voluntary contributions

78. Voluntary contributions and other transfers that are supported by legally enforceable agreements are recognized as revenue at the time the agreement becomes binding, which is the point when a peacekeeping operation is deemed to acquire control of the asset. Where cash is received subject to specific conditions, however, recognition is deferred until those conditions have been satisfied.

79. Voluntary pledges and other promised donations that are not supported by binding agreements with terms of offer and acceptance are recognized as revenue upon the receipt of cash. Unused funds returned to the donor are netted against revenue (if those funds are recognized as revenue during the year) or shown as a reduction of net assets if the funds were recognized in the previous year.

80. Revenue received under inter-organizational arrangements represents allocations of funding from agencies to enable a peacekeeping organization to administer projects or other programmes on their behalf.

81. In-kind contributions of goods above the recognition threshold of \$20,000 (per discrete contribution) are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to the peacekeeping operations and the fair value of those assets can be measured reliably. For vehicles, prefabricated buildings, satellite communication systems, generators and network equipment, a lower threshold of \$5,000 applies. Contributions in kind are initially measured at their fair value at the date of receipt, determined by reference to observable market values or by independent appraisals. The peacekeeping operations have elected not to recognize in-kind contributions of services but to disclose in-kind contributions of services above the threshold of \$20,000 in the notes to the financial statements.

Exchange revenue

82. Exchange transactions are those where the peacekeeping operations sell goods or services in exchange for compensation. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is recognized when it can be reliably measured, when the inflow of future economic benefits is probable and when specific criteria have been met, as follows:

(a) Revenue from commissions and fees for technical, procurement, training, administrative and other services rendered to Governments, United Nations entities and other partners is recognized when the service is performed;

(b) Exchange revenue also includes income from the rental of premises, the sale of used or surplus property and income from net gains resulting from currency exchange adjustments.

Investment revenue

83. Investment revenue includes the share of the peacekeeping operations of net cash pool income and other interest income. The net cash pool income includes any gains or losses on the sale of investments, which are calculated as the difference between the sale proceeds and book value. Transaction costs that are attributable directly to investment activities are netted against income and the net income is distributed proportionately to all cash pool participants on the basis of their average daily balances. The cash pool income also includes the value of unrealized market gains and losses on securities, which is distributed proportionately to all participants on the basis of year-end balances.

Expenses

84. Expenses are decreases in economic benefits or service potential during the reporting year in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets and are recognized on an accrual basis when goods are delivered, and services are rendered, regardless of the terms of payment.

85. Employee salaries include international, national and general temporary staff salaries, post adjustment and staff assessment. The allowances and benefits include other staff entitlements, including pension and insurance subsidies, staff mission subsistence, assignment, repatriation, hardship and other allowances. Expenses for contingent contracted services relate to troop costs, contingent self-sustainment costs, contingent-owned equipment and contingent operations reimbursements, and compensation for troop death and disability costs. Non-employee compensation and allowances consist of living allowances and post-employment benefits for United Nations Volunteers, consultant fees, mission subsistence and clothing allowances, and death and disability, residential security

and welfare costs for military observers and civilian police. Supplies and consumables expenses relate to spare parts and supplies for facilities, vehicles, machinery and equipment, and communications and information technology equipment, in addition to petroleum, oil and lubricant costs. This category of expenses also includes rations, medical supplies, uniforms and safety and security supplies. Grants and other transfers include outright grants and transfers to implementing agencies and partners for quick-impact projects as well as other direct support costs. Travel expenses include transportation, allowances and other related costs for staff and non-staff. Other operating expenses include maintenance, contractual services, rental of aircraft, mine action services, security services, shared services, rental of facilities, insurance, allowance for bad debt and write-off expenses. Other expenses relate to contributions in kind, hospitality and official functions, and ex gratia and compensation claims.

Note 4

Impact of the COVID-19 pandemic

86. COVID-19 remained a global challenge and continued to have an impact on the global economy in an unprecedented manner. The peacekeeping operations dealt with those unprecedented circumstances by way of a coordinated response across missions designed to maintain the effective implementation of activities while ensuring the protection of staff and other personnel. In some cases, the peacekeeping operations had to shift focus from planned activities to concentrate efforts towards COVID-19-specific policies and processes. The present note presents a summary of the impact of COVID-19 on the 2020/21 financial statements of United Nations peacekeeping operations as presented in volume II.

87. The COVID-19 pandemic continued to manifest itself in a variety of ways in the activities of the peacekeeping operations. Its impact on the way in which the peacekeeping operations conducted business was comparable to that of 2019/20. The direct and measurable impact on the financial performance for 2020/21 and the financial position as at the end of the year was limited. Furthermore, there can be no exact determination of the impact of the pandemic on these financial statements because accounting and reporting systems are not intended or designed to report costs, revenue and balances on the basis of a specific underlying cause, such as a pandemic. These limitations notwithstanding, relevant information was reflected in the financial statements.

88. There was no impairment of investment assets during the period. The main cash pool consists largely of highly rated investments in liquid bonds (issued by Governments, government agencies and supranationals), commercial papers, certificates of deposit and term deposits, in line with the principal investment objective of preservation of capital. There was an overall decline in the investment income rate of return as new and maturing funds were invested or reinvested in the lower interest rate environment (0.56 per cent in 2020/21, compared with 1.86 per cent in 2019/20). As expected, credit rating agencies put a number of banks on negative outlook watch and downgraded some owing to the more difficult operating and economic conditions, the low interest rate environment and concerns regarding deteriorating loan asset quality. The Organization continues to actively monitor all ratings for the investment holdings and investment counterparties.

89. Travel expenses across peacekeeping operations decreased by 25.2 per cent, from \$20.1 million in 2019/20 to \$15.0 million in 2020/21, as a result of the continuing COVID-19-related travel bans and restrictions, the cancellation or postponement of duty travel and the impact of the pandemic on assignment- and repatriation-related travel patterns.

90. Projects that are under implementation or construction were affected both financially and in terms of the expected completion date by physical access restrictions, especially where the relevant country mandated a shutdown of all activities. The overall impact of the pandemic on these multi-year activities may be assessed ex post.

91. COVID-19-related restrictions on physical movement that were applied in many of the locations where peacekeeping missions operated resulted in most staff and other personnel working remotely, in particular administrative staff, whose tasks did not require them to have direct physical contact with colleagues or other counterparts. This sudden change to remote working was facilitated by an accelerated changeover to increased use of mobile office tools, in particular laptops, which occurred in the months following the start of the outbreak. Post-pandemic, this change may result in more personnel making the transition to remote working arrangements.

92. In 2020/21, staff members and retirees made fewer health-care insurance claims than was typical in recent years. Although the valuation of after-service health insurance liabilities would normally be affected by a decline in health-care spending, health-care costs are expected to rise as the pandemic is contained in 2021/22 and beyond. The prevailing assumption is that medical care has been delayed, rather than foregone. The decline in health-care spending in 2020/21 was therefore excluded for the valuation of the liability.

93. Physical access to certain locations to perform physical inventory and asset verification counts were limited in some locations owing to travel restrictions imposed for the safety of staff and other counterparts. In such cases, alternative verification methods were applied, and the restrictions did not have a material impact on the values presented in the financial statements.

94. No COVID-19-related asset impairment events were recorded during the annual asset impairment review for the financial year 2020/21.

Note 5

Segment reporting

95. A segment is a distinguishable activity or group of activities for which financial information is reported separately in order to evaluate an entity's past performance in achieving its objectives and to make decisions about the future allocation of resources.

96. United Nations peacekeeping classifies its operations into three segments:

(a) *Active missions*

• UNFICYP	• UNDOF	• UNIFIL	• UNAMID ³
• UNMIK	• MONUSCO	• UNMISS	• MINUSMA
• UNSOS	• UNISFA	• MINURSO	• MINUSCA

³ UNAMID ended its mandate on 31 December 2020 and commenced closure and final liquidation.

(b) *Closed missions*

• MINUJUSTH	• UNMIL	• UNOCI	• UNOMIG
• UNMIT	• UNMIS	• MINURCAT	• UNMISSET/ UNTAET
• UNMEE	• ONUB	• UNAMSIL/ UNOMSIL	• MIPONUH/ UNSMIH/ UNTMIH
• UNIKOM	• UNMIBH	• UNMOT	• UNTAES/UNPSG
• MINURCA	• MONUA/ UNAVEM	• UNPREDEP	• UNMIH
• UNOMIL	• UNPF	• MINUGUA	• UNSOM
• UNAMIR/ UNOMUR	• ONUSAL	• ONUMOZ	• UNHCR
• UNMLT	• UNTAC	• UNTAG	
• UNEF (1956)	• ONUC	• UNSMIS	

(c) *Support activities*

• Peacekeeping Reserve Fund	• Support account for peacekeeping operations
• UNLB/strategic deployment stocks	• RSCE
• Employee benefits funds	• Peacekeeping cost recovery

97. The segment revenue, expenses, assets and liabilities are set out below.

Segment performance and position, 30 June 2021

(Thousands of United States dollars)

<i>Current year</i>	<i>Active missions</i>	<i>Closed missions</i>	<i>Support activities</i>	<i>Eliminations</i>	<i>Total 2020/21</i>
Segment revenue					
Assessed contributions	6 796 756	—	—	—	6 796 756
Voluntary contributions	335 693	—	5 654	—	341 347
Transfers and allocations	—	—	449 765	(448 353) ^a	1 412
Other external sources	22 058	805	138 798	(90 748) ^b	70 913
Total revenue	7 154 507	805	594 217	(539 101)	7 210 428
Total segment expense	7 107 396	985	696 174	(539 101)	7 265 454
Surplus/(deficit) for the year	47 111	(180)	(101 957)	—	(55 026)
Segment assets	4 203 356	294 809	505 335	(106 328) ^c	4 897 172

<i>Current year</i>	<i>Active missions</i>	<i>Closed missions</i>	<i>Support activities</i>	<i>Eliminations</i>	<i>Total 2020/21</i>
Segment liabilities	2 144 354	288 274	2 177 586	(106 328) ^c	4 503 886
Total net assets	2 059 002	6 535	(1 672 251)	–	393 286
Capital expenditure	161 948	–	21 503	–	183 451

^a Allocation from active missions to support activities.

^b \$74.708 million for cost recovery between missions, \$12.813 million for the transfer of strategic deployment stocks to peacekeeping missions and the transfer of inventory and equipment between peacekeeping missions, and \$3.227 million for the allocation from active missions to the reserve fund for workers' compensation.

^c Cross-borrowings between missions.

Segment performance and position, 30 June 2020

(Thousands of United States dollars)

<i>Current year</i>	<i>Active missions</i>	<i>Closed missions</i>	<i>Support activities</i>	<i>Eliminations</i>	<i>Total 2019/20</i>
Segment revenue					
Assessed contributions	6 897 950	–	–	–	6 897 950
Voluntary contributions	318 920	–	5 358	–	324 278
Transfers and allocations	–	–	441 538	(440 114) ^a	1 424
Other external sources	51 390	5 735	147 953	(88 237) ^b	116 841
Total revenue	7 268 260	5 735	594 849	(528 351)	7 340 493
Total segment expense	7 180 893	(11 941)	696 266	(528 351)	7 336 867
Surplus/(deficit) for the year	87 367	17 676	(101 417)	–	3 626
Segment assets	4 407 691	252 263	505 428	(68 828) ^c	5 096 554
Segment liabilities	2 382 040	259 308	2 021 336	(68 828) ^c	4 593 856
Total net assets	2 025 651	(7 045)	(1 515 908)	–	502 698
Capital expenditure	98 153	–	21 417	–	119 570

^a Allocation from active missions to support activities.

^b \$70.464 million for cost recovery between missions, \$14.536 million for the transfer of strategic deployment stocks to peacekeeping missions and the transfer of inventory and equipment between peacekeeping missions, and \$3.237 million for the allocation from active missions to the reserve fund for workers' compensation.

^c Cross-borrowings between missions.

Note 6

Comparison to budget

98. Statement V, the statement of comparison of budget and actual amounts, presents the difference between budget amounts, which are prepared on a modified cash basis, and actual expenditure on a comparable basis.

99. Approved budgets are those that permit expenses to be incurred and are approved by the General Assembly. For IPSAS reporting purposes, approved budgets are the appropriations authorized for each mission under Assembly resolutions.

Material differences

100. The original budget amounts are the appropriations and voluntary contributions approved on 24 June 2020 by the General Assembly for the financial year from 1 July 2020 to 30 June 2021. The final budget reflects the original budget appropriation with

any amendments by the Assembly and commitment authorities approved by the Advisory Committee on Administrative and Budgetary Questions.

101. Material differences between the final budget appropriation and actual expenditure on a modified accrual basis are deemed to be those greater than 5 per cent and are considered below.

<i>Mission</i>	<i>General Assembly resolution and ACABQ report</i>	<i>Note</i>
UNFICYP	74/285	Non-material difference
UNDOF	74/291	Non-material difference
UNIFIL	74/292	Non-material difference
MINURSO	74/294	Non-material difference
UNMIK	74/288	Non-material difference
MONUSCO	74/286	Expenditure 6.34 per cent (\$73.2 million) less than final appropriation: The underexpenditure was due mainly to a lower average deployment than approved for all categories of uniformed personnel; a lower cost of rations; a lower price of fuel; and a lower number of flight hours for both fixed-wing and rotary-wing aircraft due to travel restrictions owing to the COVID-19 pandemic
UNAMID	74/261 C , 75/251 and 75/251 B	Non-material difference
UNSOS	74/295	Non-material difference
UNISFA	74/283	Non-material difference
UNMISS	74/293	Non-material difference
MINUSMA	74/290	Expenditure 6.30 per cent (\$80.0 million) less than final appropriation: The underexpenditure was due mainly to: (a) the non-deployment of six fixed-wing surveillance and reconnaissance aircraft, military short-range unmanned aerial systems, medium altitude long endurance assets and military attack helicopters, as well as savings on landing fees and ground handling charges and on fuel as a result of air movement restrictions; and (b) lower actual costs of construction, alteration, renovation and major maintenance
MINUSCA	74/284	Non-material difference
Support account	74/280	Non-material difference
UNLB – other activities	74/282	Non-material difference
RSCE	74/281	Non-material difference

102. The reconciliation between the actual amounts on a comparable basis in the statement of comparison of budget and actual amounts (statement V) and the actual amounts in the statement of cash flows (statement IV) is reflected in the table below.

Reconciliation of actual amounts on a comparable basis to statement of cash flows for the year ended 30 June 2021

(Thousands of United States dollars)

	<i>Operating</i>	<i>Investing</i>	<i>Financing</i>	<i>Total</i>
Actual amount on comparable basis (statement V)	(6 610 956)	–	–	(6 610 956)
Basis differences	(713 571)	(110 303)	–	(823 874)
Presentation differences	7 210 428	214 611	–	7 425 039
Actual amount in statement of cash flows (statement IV)	(114 099)	104 308	–	(9 791)

103. Basis differences capture the differences resulting from preparing the budget on a modified cash basis. In order to reconcile the budgetary results with the statement of cash flows, the modified cash elements, such as commitments against budget, must be eliminated. These commitments do not represent cash flows while they pertain to budgetary expenditures. Similarly, IPSAS-specific differences such as payments against prior year commitments and investing cash flows relating to acquisition of property, plant and equipment or intangible assets are included to reconcile the budgetary results to the statement of cash flows.

104. Entity differences represent cash flows of fund groups other than those of the peacekeeping operations that are reported in the financial statements. The financial statements include results for all fund groups.

105. Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. Given that the budget reflects the reporting period, there are no timing differences.

106. Presentation differences are differences in the format and classification schemes in the statement of cash flows and the statement of comparison of budget and actual amounts. The latter does not include either income or the net changes in cash pool balances. Other presentation differences are amounts that are included in the statement of comparison of budget and actual amounts but that cannot be separated from the operating, investing and financing activities.

Note 7

Cash and cash equivalents

(Thousands of United States dollars)

	<i>30 June 2021</i>	<i>30 June 2020</i>
Cash at bank and on hand	2 939	3 943
Cash pool cash and term deposits – original maturity of three months or less	126 732	135 519
Total cash and cash equivalents	129 671	139 462

Note 8**Receivables from non-exchange transactions: assessed contributions**

(Thousands of United States dollars)

	<i>30 June 2021</i>	<i>30 June 2020</i>
Assessed contributions	2 326 395	2 274 041
Allowance for doubtful receivables	(565 994)	(619 215)
Total assessed contributions receivable	1 760 401	1 654 826

Note 9**Receivables from non-exchange transactions: voluntary contributions**

(Thousands of United States dollars)

	<i>30 June 2021</i>	<i>30 June 2020</i>
Voluntary contributions	5 423	5 252
Allowance for doubtful receivables	(5 423)	(5 252)
Total voluntary contributions receivable	—	—

Note 10**Other receivables**

(Thousands of United States dollars)

	<i>30 June 2021</i>	<i>30 June 2020</i>
Member States	171 524	160 849
Receivables from United Nations-related party entities	12 961	15 646
Other exchange revenue receivables	12 639	11 508
Allowance for doubtful receivables	(147 953)	(141 168)
Total other receivables	49 171	46 835

Note 11**Inventories**

107. Subsequent to the physical inventory reconciliation project of 2018/19, missions continued to clean up inventory data. An adjustment of \$1.8 million (2019/20: \$9.9 million) was recorded with a special physical inventory reconciliation and optimization project transaction identifier and included in the purchase and consumption of the current year. It is possible that some immaterial adjustment amounts were entered as regular receipt and issuance transactions, increasing the amount of purchase and consumption.

(Thousands of United States dollars)

	<i>Strategic reserves</i>	<i>Consumables and supplies</i>	<i>Total</i>
Opening inventory as at 1 July 2019	78 511	254 649	333 160
Purchase	50 890	290 115	341 005
Consumption	(44 926)	(264 737)	(309 663)
Impairment and write-offs	(1)	(20 314)	(20 315)
Total inventory as at 30 June 2020	84 474	259 713	344 187
Purchase	61 427	299 158	360 585
Consumption	(65 078)	(268 478)	(333 556)
Impairment and write-offs	1	(24 562)	(24 561)
Total inventory as at 30 June 2021	80 824	265 831	346 655

Note 12

Other assets

108. Deferred charges include education grant prepayments for future school years.

(Thousands of United States dollars)

	<i>30 June 2021</i>	<i>30 June 2020</i>
Deferred charges	12 023	10 588
Advances to UNDP and other United Nations agencies	8 084	2 762
Advances to military and other personnel	4 441	4 201
Advances to staff	5 109	5 454
Advances to vendors	35	1 517
Advance transfers	5 290	7 111
Other	62	264
Total other assets	35 044	31 897

Note 13

Property, plant and equipment

109. The net book value of property, plant and equipment as at 30 June 2021 was \$1,247.6 million (2019/20: \$1,346.3 million). The total cost of acquisitions during 2021 was \$183.5 million (2019/20: \$119.6 million).

110. During the year, the peacekeeping operations disposed of property, plant and equipment in the amount of \$62.1 million (2019/20: \$77.4 million), at net book value, which is attributable in large part to the downsizing activities of UNAMID. Equipment was written down by \$9.3 million (2019/20: \$18.8 million), owing mainly to surplus items of \$5.3 million (2019/20: \$2.2 million), normal wear and tear, losses and other reasons of \$2.2 million (2019/20: \$11.5 million), and malfunctions and accidents of \$1.9 million (2019/20: \$5.1 million). Buildings and infrastructure were written down by \$52.8 million (2019/20: \$58.6 million), of which \$34.4 million was attributable to items that were uneconomical to recover (2019/20: nil), surplus items of \$9.3 million (2019/20: nil), and damages, malfunctions and other reasons of \$9.1 million (2019/20: 0.1 million).

111. During the year, no property, plant and equipment were reported as impaired (2019/20: none).

112. The peacekeeping operations had no significant heritage assets as at the reporting date (2019/20: none).

Property, plant and equipment: 2020/21

(Thousands of United States dollars)

	<i>Buildings</i>	<i>Infrastructure</i>	<i>Leasehold improvements</i>	<i>Furniture and fixtures</i>	<i>Communications and information technology equipment</i>	<i>Vehicles</i>	<i>Machinery and equipment</i>	<i>Assets under construction</i>	<i>Total</i>
Cost as at 1 July 2020	967 115	626 062	422	3 421	342 019	761 746	402 427	41 748	3 144 960
Additions	39 621	8 083	—	508	19 308	18 039	54 992	42 901	183 452
Disposals ^a	(78 823)	(86 740)	—	(20)	(24 390)	(44 928)	(35 690)	—	(270 591)
Completed assets under construction	15 424	24 317	—	—	—	—	—	(39 741)	—
Cost as at 30 June 2021	943 337	571 722	422	3 909	336 937	734 857	421 729	44 908	3 057 821
Accumulated depreciation and impairment as at 1 July 2020	(512 645)	(254 889)	(422)	(2 810)	(254 749)	(517 305)	(255 880)	—	(1 798 700)
Depreciation	(64 418)	(32 779)	—	(126)	(27 988)	(46 991)	(36 445)	—	(208 747)
Disposals ^a	59 161	49 711	—	20	23 165	41 342	23 821	—	197 220
Accumulated depreciation and impairment as at 30 June 2021	(517 902)	(237 957)	(422)	(2 916)	(259 572)	(522 954)	(268 504)	—	(1 810 227)
Net carrying amount									
1 July 2020	454 470	371 173	—	611	87 270	244 441	146 547	41 748	1 346 260
Net carrying amount 30 June 2021	425 435	333 765	—	993	77 365	211 903	153 225	44 908	1 247 594

^a \$11.229 million in net asset transfers have been reported under disposals.

Property, plant and equipment: 2019/20

(Thousands of United States dollars)

	<i>Buildings</i>	<i>Infrastructure</i>	<i>Leasehold improvements</i>	<i>Furniture and fixtures</i>	<i>Communications and information technology equipment</i>	<i>Vehicles</i>	<i>Machinery and equipment</i>	<i>Assets under construction</i>	<i>Total</i>
Cost as at 1 July 2019	1 092 119	684 978	422	3 380	384 771	830 206	455 272	24 597	3 475 745
Additions	14 954	(1 106)	–	214	17 313	36 976	22 896	28 323	119 570
Disposals ^a	(147 758)	(61 182)	–	(173)	(60 065)	(105 436)	(75 741)	–	(450 355)
Completed assets under construction	7 800	3 372	–	–	–	–	–	(11 172)	–
Cost as at 30 June 2020	967 115	626 062	422	3 421	342 019	761 746	402 427	41 748	3 144 960
Accumulated depreciation and impairment as at 1 July 2019	(551 871)	(253 354)	(380)	(2 777)	(280 471)	(555 185)	(285 970)	–	(1 930 008)
Depreciation	(63 085)	(36 652)	(42)	(202)	(32 295)	(56 007)	(34 097)	–	(222 380)
Disposals ^a	102 311	35 117	–	169	58 017	93 887	64 187	–	353 688
Accumulated depreciation and impairment as at 30 June 2020	(512 645)	(254 889)	(422)	(2 810)	(254 749)	(517 305)	(255 880)	–	(1 798 700)
Net carrying amount									
1 July 2019	540 248	431 624	42	603	104 300	275 021	169 302	24 597	1 545 737
Net carrying amount 30 June 2020	454 470	371 173	–	611	87 270	244 441	146 547	41 748	1 346 260

^a \$19.321 million in net asset transfers have been reported under disposals.

Note 14 Intangible assets

(Thousands of United States dollars)

	<i>Software developed internally</i>	<i>Licence rights</i>	<i>Assets under development</i>	<i>Total</i>
Opening cost 1 July 2020	4 853	206	—	5 059
Additions	—	76	146	222
Total cost 30 June 2021	4 853	282	146	5 059
Opening accumulated amortization 1 July 2020	1 677	206	—	1 883
Amortization	526	25	—	551
Closing accumulated amortization 30 June 2021	2 203	231	—	2 434
Net book value 1 July 2020	3 176	—	—	3 176
Net book value 30 June 2021	2 650	51	146	2 847

113. The final approved budget for the Umoja project up to 31 December 2020 was \$565.3 million. The share of the Umoja project chargeable to the peacekeeping operations was \$384.1 million. During the current financial period, the peacekeeping operations contributed \$13.4 million (2019/20: \$19.4 million) to Umoja-related expenditure (see note 24, under grants and other transfers), bringing the total contributions to \$370.0 million as at 30 June 2021. Capitalizable expenditure related to Umoja is reported as an intangible asset in the financial statements of the United Nations, volume I, and the cost-sharing of peacekeeping operations is expensed in these financial statements.

Note 15 Accounts payable

(Thousands of United States dollars)

	<i>30 June 2021</i>	<i>30 June 2020</i>
Accruals for goods and services	444 410	535 524
Vendor payables	153 953	141 031
Payables to United Nations related party entities	3 934	3 687
Transfers payable	1 193	819
Other	14 340	12 503
Subtotal accounts payable and accrued liabilities	617 830	693 564
Member States accounts payable	1 200 602	1 558 965
Total accounts payable	1 818 432	2 252 529

Note 16 Advance receipts

114. Advance receipts relate to contributions received that will be applied to the subsequent years' assessment, as well as deferred income.

(Thousands of United States dollars)

	30 June 2021	30 June 2020
Advance receipts from Member States	7 684	4 327
Deferred income	6 164	2 519
Total advance receipts	13 848	6 846

Note 17

Employee benefits liabilities

(Thousands of United States dollars)

	Current	Non-current	Total
30 June 2021			
After-service health insurance	8 928	1 723 008	1 731 936
Annual leave	3 614	98 678	102 292
Repatriation benefits	9 983	227 022	237 005
Subtotal defined-benefit liabilities	22 525	2 048 708	2 071 233
Accrued salaries and allowances	70 313	–	70 313
Appendix D/workers' compensation	2 068	45 736	47 804
Total employee benefits liabilities	94 906	2 094 444	2 189 350
30 June 2020			
After-service health insurance	8 890	1 567 755	1 576 645
Annual leave	3 605	96 466	100 071
Repatriation benefits	9 892	225 032	234 924
Subtotal defined-benefit liabilities	22 387	1 889 253	1 911 640
Accrued salaries and allowances	45 780	–	45 780
Appendix D/workers' compensation	2 035	42 719	44 754
Total employee benefits liabilities	70 202	1 931 972	2 002 174

115. The liabilities arising from post-employment benefits and the workers' compensation programme under appendix D to the Staff Regulations and Rules are determined by independent actuaries. The actuarial valuation for after-service health insurance, annual leave and repatriation benefits is usually undertaken every two years. The most recent full actuarial valuation was conducted as at 31 December 2019, followed by the roll forward valuation as at 31 December 2020. The balances as at 30 June 2021 represent a roll forward of December 2020 valuation results carried out by the independent actuaries.

116. The Organization currently uses the initial entry date of active staff members in the United Nations Joint Staff Pension Fund to determine qualifying service periods for the valuation of after-service health insurance liabilities. The Organization will re-evaluate the initial entry date or gather the actual periods of participation in the United Nations health plans and use that updated census data for the next full actuarial valuation, to be undertaken as at 31 December 2021.

117. The principal actuarial assumptions used to determine the employee benefits obligations on 30 June 2020 and 30 June 2021 are shown below. Discount rates and health-care cost trend rates were updated for 2021, while other assumptions were retained from the roll forward valuation performed as at 30 June 2020.

Actuarial assumptions

(Percentage)

<i>Assumption</i>	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Annual leave</i>
Discount rates (30 June 2021)	3.33	2.31	2.51
Discount rates (30 June 2020)	3.24	2.36	2.32

118. The updated yield curves of Aon Hewitt were used for discount rate assumptions.

119. The salary increase assumptions for staff in the Professional and higher categories were 9.27 per cent for the age of 19, grading down to 3.97 per cent for the age of 70. The salaries of staff in the General Service and related categories were assumed to increase by 6.84 per cent for the age of 19, grading down to 3.47 per cent at the age of 70. Those assumptions were used for the United Nations Joint Staff Pension Fund scheme and implemented for this actuarial valuation to ensure modelling consistency.

120. Another assumption that had an impact on the actuarially valued employee benefits liabilities as of 30 June 2020, in addition to the discount rates discussed above, included changes in the per capita claims cost by age. The table below shows the per capita claims cost at 65 years old.

Per capita claims cost by age

(United States dollars)

<i>Plan</i>	<i>30 June 2021</i>	<i>30 June 2020</i>
United States plans		
Aetna/HIP/HMO – no Medicare	14 571	13 819
Aetna/HIP/HMO – Medicare	10 136	9 629
Blue Cross – no Medicare	11 582	10 985
Blue Cross – Medicare	9 918	9 422
Cigna Dental	975	932
Non-United States plans		
UNSMIS	6 622	6 382
Cigna WWP/FMIP/SMIP/GKK	3 490	3 361
MIP	1 961	1 889

Abbreviations: FMIP, full medical insurance plan; GKK, Wiener Gebietskrankenkasse; HIP, health insurance plan of New York; HMO, health maintenance organization; MIP, medical insurance plan; SMIP, supplemental medical insurance plan; UNSMIS, United Nations Staff Mutual Insurance Society against Sickness and Accidents; WWP, worldwide plan.

121. The per capita claim costs for the after-service health insurance plans are updated to reflect recent claims and enrolment experience. The health-care cost trend rate assumption is revised to reflect the current short-term expectations of the after-service health insurance plan cost increases and the economic environment. Medical cost trend assumptions used for the valuation were based on Aon Hewitt long-term

assumption. The age-related increases in claims used in the actuarial valuation have not changed since 30 June 2020.

Health-care cost trend assumptions

(Percentage)

	30 June 2021			30 June 2020		
	Initial	Final	Grade down	Initial	Final	Grade down
United States non-Medicare	5.34	4.05	14 years	5.44	3.85	13 years
United States Medicare	5.18	4.05	14 years	5.26	3.85	13 years
United States dental	4.62	4.05	14 years	4.66	3.85	13 years
Non-United States, Switzerland	3.64	2.75	8 years	3.76	2.85	8 years
Non-United States, Eurozone	3.78	3.55	6 years	3.83	3.65	3 years

122. The salary increase assumptions for staff in the Professional and higher categories were 9.27 per cent for the age of 19 and grading down to 3.97 per cent for the age of 70. The salaries of staff in the General Service and related categories were assumed to increase by 6.84 per cent for the age of 19, grading down to 3.47 per cent at the age of 70. Those assumptions were used for the United Nations Joint Staff Pension Fund scheme and implemented for this actuarial valuation to ensure modelling consistency.

123. Annual leave balances were assumed to increase at the following annual rates during the staff member's projected years of service: 0–3 years – 10.9 per cent; 4–8 years – 1.0 per cent; and more than 9 years – 0.5 per cent, up to a maximum 60 days.

124. With regard to the valuation of repatriation benefits, inflation in travel costs was assumed to be 2.20 per cent for both the 2020 and 2021 valuations, on the basis of the projected United States inflation rate over the coming 20 years.

125. For defined-benefit plans, assumptions regarding future mortality are based on published statistics and mortality tables. Retirement, withdrawal and mortality assumptions are consistent with those used by the United Nations Joint Staff Pension Fund in making its actuarial valuation.

Movement in employee benefits liabilities accounted for as defined-benefits plans

(Thousands of United States dollars)

	30 June 2021	30 June 2020
Net defined-benefit liability at 1 July	1 911 640	2 013 922
Current service cost	98 207	99 855
Interest cost	57 470	65 018
Benefits paid	(46 754)	(51 636)
Total net costs recognized in the statement of financial performance	108 923	113 237
Adjustment and actuarial (gains)/losses recognized directly in the statement of changes in net assets ^a	50 670	(215 519)
Net defined-benefit liability at 30 June	2 071 233	1 911 640

^a Cumulative amount of actuarial gains and losses recognized in the statement of changes in net assets is a net gain of \$63.007 million (2019/20: net gain of \$113.677 million).

Discount rate sensitivity analysis

126. Should the discount rate assumption vary by 0.5 per cent, its impact on the obligations would be as shown below.

(Thousands of United States dollars)

	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Annual leave</i>
30 June 2021			
Increase of discount rate by 0.5 per cent	(188 490)	(8 055)	(4 242)
As a percentage of end-of-year liability	(11)	(3)	(4)
Decrease of discount rate by 0.5 per cent	220 431	8 575	4 566
As a percentage of end-of-year liability	13	4	4
30 June 2020			
Increase of discount rate by 0.5 per cent	(171 589)	(7 984)	(4 150)
As a percentage of end-of-year liability	(11)	(3)	(4)
Decrease of discount rate by 0.5 per cent	200 667	8 500	4 467
As a percentage of end-of-year liability	13	4	4

Medical cost sensitivity analysis

127. The principal assumption in the valuation of the after-service health insurance is the rate at which medical costs are expected to increase in the future. The sensitivity analysis looks at the change in liability due to changes in the medical cost rates while holding other assumptions constant, such as the discount rate. Should the medical cost trend assumption vary by 0.5 per cent, this would have an impact on the measurement of the defined-benefit obligations as shown below.

(Thousands of United States dollars)

	<i>30 June 2021</i>		<i>30 June 2020</i>	
	<i>Increase</i>	<i>Decrease</i>	<i>Increase</i>	<i>Decrease</i>
0.5 per cent movement in the assumed medical cost trend rates				
Effect on the after-service health insurance defined-benefit liabilities	212 819	(184 162)	193 737	(167 649)
Effect on the aggregate of the current service cost and interest cost	20 247	(17 229)	18 431	(15 685)

Other defined-benefit plan information

128. The benefits paid are estimates of what would have been paid to separating staff and/or retirees during the year based on the pattern of rights acquisition under each scheme: after-service health insurance, repatriation and commutation of accrued annual leave.

Benefits paid, net of participant contributions

(Thousands of United States dollars)

<i>Year ended</i>	<i>After-service health insurance</i>	<i>Repatriation benefits</i>	<i>Annual leave</i>	<i>Total</i>
30 June 2021	17 358	21 570	7 826	46 754
30 June 2020	19 427	23 532	8 677	51 636

Historical information: total after-service health insurance, annual leave and repatriation defined-benefits liability, as at 30 June

(Thousands of United States dollars)

	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
Present value of defined-benefit obligations	1 911 640	2 013 922	1 647 923	1 756 938	1 663 547

Accrued salaries and allowances

129. Other accrued salaries liabilities as at the reporting date include accruals for home leave of \$33.0 million (2019/20: \$29.9 million), repatriation and resettlement allowances of \$5.8 million (2019/20: \$6.1 million), family visits of \$0.9 million (2019/20: \$1.2 million), compensatory time off of \$2.1 million (2019/20: \$2.4 million) and other accrued salaries and other benefits of \$28.5 million (2019/20: \$6.2 million).

Fund for peacekeeping compensation payments: appendix D/workers' compensation

130. The fund for compensation payments relates to death, injury or illness attributable to the performance of official duties. The rules governing the compensation payments are under appendix D to the Staff Regulations and Rules. The fund derives its revenue from a charge of 0.5 per cent of net base salary, including post adjustment, which is recorded as employee expenses against the budgets of the peacekeeping missions. The fund covers appendix D claims submitted by peacekeeping personnel, covering monthly death and disability benefits and lump-sum payments for injury or illness as well as medical expenses.

131. The workers' compensation liability is actuarially valued. The liabilities are determined from the projected benefits, which are increased for cost-of-living allowance, decreased for mortality and then discounted to present value. Obligations as at 30 June 2021, estimated at \$47.8 million, are based on a roll forward of the 31 December 2020 valuation. The cost-of-living adjustment used in the valuation on 30 June 2021 was 2.0 per cent (2019/20: 2.20 per cent). Mortality assumptions are based on WHO statistical tables. As with defined-benefit liabilities, Aon Hewitt yield curves are used in determining discount rates.

132. The sensitivity analysis looks at the change in liability resulting from changes in the cost-of-living adjustment and in the discount rates. A change of 1 per cent would have an impact on the measurement of the appendix D obligation as shown below.

(Thousands of United States dollars)

	<i>30 June 2021</i>	<i>30 June 2020</i>
Increase of cost-of-living adjustment by 1 per cent	7 325	6 850
As a percentage of end-of-year liability	15	15
Decrease of cost-of-living adjustment by 1 per cent	(5 853)	(5 630)

	30 June 2021	30 June 2020
As a percentage of end-of-year liability	(12)	(13)
Increase of discount rate by 1 per cent	(6 086)	2 919
As a percentage of end-of-year liability	(13)	(7)
Decrease of discount rate by 1 per cent	7 742	3 536
As a percentage of end-of-year liability	16	8

United Nations Joint Staff Pension Fund

133. It is stated in the Regulations of the United Nations Joint Staff Pension Fund that the Pension Board shall have an actuarial valuation made of the Pension Fund at least once every three years by the consulting actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the open group aggregate method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

134. The financial obligation of the United Nations peacekeeping operations to the Pension Fund consists of the mandated contribution, at the rate established by the General Assembly (currently at 7.90 per cent for participants and 15.80 per cent for member organizations), together with a share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are payable only if and when the Assembly has invoked the provision of article 26, following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as at the valuation date. Each member organization shall contribute to remedying this deficiency with an amount proportionate to the total contributions that each paid during the three years preceding the valuation date.

135. The actuarial valuation performed as at 31 December 2019 resulted in a funded ratio of actuarial assets to actuarial liabilities, assuming no future pension adjustments, of 144.4 per cent (2017: 139.2 per cent). The funded ratio was 107.1 per cent (2017: 102.7 per cent) when the current system of pension adjustments was taken into account.

136. The actuarial valuation of 2019 revealed an actuarial surplus of 0.50 per cent (2017: deficit of 0.05 per cent) of pensionable remuneration.

137. The Board of Auditors carries out an annual audit of the Pension Fund and reports to the Pension Board and to the General Assembly on the audit every year. The Pension Fund publishes quarterly reports on its investments, which can be viewed on the Fund's website (www.unjspf.org).

Termination benefits

138. The United Nations peacekeeping operations had no liabilities for termination benefits as at the reporting date (2019/20: none).

Note 18
Provisions

139. The peacekeeping missions are subject to a variety of claims that arise in the course of their operations. These claims are segregated into two main categories: commercial and administrative law claims. As at the reporting date, several commercial claims for non-performance or breach of contract and non-consensual use of premises were pending against several peacekeeping operations in various

locations. As at 30 June 2021, the amount to settle these cases was estimated at \$15.1 million (2019/20: \$15.8 million), including \$7.1 million (2019/20: \$5.8 million) carried over from the prior year. A provision of \$1.1 million (2019/20: \$1.1 million) was established for administrative cases brought by current or former employees. The timing of the outflows for these commercial claims and administrative cases is estimated to be within one year.

140. The restoration provisions of \$13.0 million (2019/20: \$12.8 million) to return premises to their original shape and condition upon vacation of the premises includes new provisions of \$1.6 million for MINUSCA, MINUSMA and UNMISS. The timing of the outflows for restoration provisions cannot be reasonably estimated.

141. Provisions have been made in the amount of \$366.9 million (2019/20: \$233.5 million) for credits to Member States. Provisions of \$26.4 million were retained for UNMIL, UNOCI and MINUSTAH/MINUJUSTH. Those provisions totalled \$393.3 million (2019/20: \$243.4 million). The credits to Member States for active missions comprise uncommitted appropriations of \$210.6 million (2019/20: \$99.1 million), investment revenue of \$8.1 million (2019/20: \$35.0 million), other revenue and prior-period adjustment of \$10.2 million (2019/20: \$16.0 million) and cancellation of prior-period commitments amounting to \$138.0 million (2019/20: \$83.4 million). The disposal of these provisions for credits to Member States will be decided by the General Assembly in the next fiscal year

(Thousands of United States dollars)

	<i>Credits to Member States</i>	<i>Litigation and claims</i>	<i>Restoration</i>	<i>Restructuring</i>	<i>Total</i>
Provisions as at 1 July 2019	190 634	11 564	11 292	20 255	233 745
Additional provisions made	233 487	10 061	1 731	–	245 279
Unused amounts reversed	(514)	(4 210)	(195)	–	(4 919)
Amounts used	(180 208)	(515)	(16)	(20 255)	(200 994)
Provisions as at 30 June 2020	243 399	16 900	12 812	–	273 111
Additional provisions made	366 923	8 959	1 562	–	377 444
Unused amounts reversed	(205)	(7 271)	(1 274)	–	(8 750)
Amounts used	(216 850)	(2 362)	(129)	–	(219 341)
Provisions as at 30 June 2021	393 267	16 226	12 971	–	422 464

Note 19 Other liabilities

(Thousands of United States dollars)

	<i>30 June 2021</i>	<i>30 June 2020</i>
Borrowings ^a	47 376	47 376
Other liabilities	12 416	11 820
Total other liabilities	59 792	59 196

^a See note 26 regarding the payable to the United Nations General Fund (para. 206).

Note 20

Accumulated surpluses/deficits

142. The unrestricted accumulated surplus includes the accumulated deficit for liabilities for after-service health insurance, repatriation benefits and annual leave. It also includes the cumulative surplus of strategic deployment stocks, which is carried over to the next financial year for the replenishment of stocks, and the cumulative surplus in the peacekeeping cost-recovery fund, which is carried over for spending.

Accumulated surplus: restricted

143. On a number of occasions, the General Assembly has authorized UNDOF and UNIFIL to retain surpluses that otherwise would have been returned to Member States. Accumulated surpluses of \$36.0 million and \$19.6 million in UNDOF and UNIFIL, respectively, are presented as restricted in the statement of financial position and the statement of changes in net assets. Those amounts correspond to the unpaid assessed contributions that were put on hold by the Assembly in its resolution 36/116 A.

144. In its resolution 57/323, the General Assembly decided to suspend the return of accumulated surpluses for UNSMIH, UNTMIH, MIPONUH, MINURCA, MINUGUA, UNOSOM and UNTAC in the light of the cash shortages in those missions. The accumulated surpluses of those missions are presented as restricted in the statement of financial position and the statement of changes in net assets.

Note 21

Reserves

Peacekeeping Reserve Fund

145. The Peacekeeping Reserve Fund was established as a cash flow mechanism to support the rapid response of peacekeeping operations to meet expenses and capital requirements for the start-up or expansion of peacekeeping operations. During the current financial period, the Peacekeeping Reserve Fund has not provided any new loans (2019/20: none).

146. As at the reporting date, outstanding advances in an amount of \$12.8 million were due from MINURCA (2019/20: \$12.8 million), which have been outstanding since February 2000 owing to insufficient cash resources in the mission.

147. As at the reporting date, the Peacekeeping Reserve Fund had reserves of \$150.0 million (2019/20: \$150.0 million) and a cumulative surplus of \$4.2 million (2019/20: \$7.5 million), representing investment revenue of \$0.5 million for the period ended 30 June 2021 and \$3.7 million for the period ended 30 June 2020. The latter amount will be applied to meet the requirements of the support account for peacekeeping operations for 2021/22. The cumulative surplus of \$0.5 million related to the period ended 30 June 2021 is available for future utilization as directed by the General Assembly.

Note 22

Revenue from non-exchange transactions and other revenues

Assessed contributions

148. Assessed contributions of \$ 6,796.8 million (2019/20: \$6,898.0 million) have been recorded in accordance with the Financial Regulations and Rules, the relevant resolutions of the General Assembly and the policies of the United Nations, on the basis of the peacekeeping scale of assessment.

Voluntary contributions

149. Voluntary contributions in cash were received for UNFICYP. Revenue from in-kind contributions represents contributions of goods, landing rights fees, airport fees, vehicle registration fees and permission to use facilities and premises. On the basis of fair rental value, a total of \$296.4 million (2019/20: \$282.4 million) representing facilities and premises was provided during the reporting period. Landing fees and other fees at airports totalling \$18.4 million (2019/20: \$16.3 million) and vehicle registration fees of \$1.7 million (2019/20: \$1.5 million) were waived. A variety of goods were provided and fees waived amounting to \$0.9 million (2019/20: \$0.4 million), bringing total in-kind contributions to \$317.4 million (2019/20: \$300.6 million).

(Thousands of United States dollars)

	2020/21	2019/20
Voluntary monetary contributions (Member States)	23 936	23 651
Voluntary in-kind contributions (Member States)	317 411	300 627
Total voluntary contributions	341 347	324 278

150. In-kind contributions of services are not recognized and are therefore not included in the in-kind contributions revenue above. These comprise various fees for services that are usually charged. Such waived fees included airport passenger taxes of \$0.6 million (2019/20: \$4.1 million), radio frequency fees of \$4.3 million (2019/20: \$3.1 million) and other services amounting to \$0.3 million (2019/20: \$0.4 million).

Other transfers and allocations

151. The other transfers and allocations of \$1.4 million (2019/20: \$1.4 million) represent the allocation from special political missions to RSCE.

Other revenue from exchange transactions

152. The majority of other revenue was generated from the cost-recovery fund (see note 26, para. 211). The cost-recovery revenue of \$52.8 million (2019/20: \$55.8 million) comprises \$35.0 million (2019/20: \$36.2 million) for fuel, facilities and logistical support provided to other United Nations agencies, Member States, non-governmental organizations and international agencies, and \$17.8 million (2019/20: \$19.6 million) to vendors and other external entities. Including the revenue of \$74.7 million (2019/20: \$70.5 million) for the services provided between peacekeeping missions and, accordingly, eliminated in the consolidated financial statements, the total revenue of the cost-recovery fund was \$127.5 million (2019/20: \$126.3 million).

(Thousands of United States dollars)

	2020/21	2019/20
Revenue generated from the cost-recovery fund	52 775	55 816
Revenue from sale of equipment and inventory	4 929	4 892
Net foreign exchange gains	632	4 683
Other miscellaneous revenue	2 088	1 733
Total other revenue	60 424	67 124

Note 23

Financial instruments and the cash pool

Cash pool

153. In addition to directly held cash and cash equivalents, the peacekeeping operations participate in the United Nations Treasury main pool. The main pool comprises operational bank account balances in a number of currencies and investments in financial instruments. The pooling of funds has a positive effect on overall investment performance and risk, because of economies of scale and by virtue of the ability to spread yield curve exposures across a range of maturities. The allocation of main pool assets (cash and cash equivalents, short-term investments and long-term investments) and income is based on each participating entity's principal balance. The financial instruments of the main pool are held for trading purposes and are therefore carried at fair value through surplus and deficit. There is no financial instrument held for other purposes or designated upon initial recognition as at fair value through surplus or deficit.

154. As at 30 June 2021, the main pool held total assets of \$10,899.5million (2019/20: \$9,373.2 million), of which \$1,452.5 million (2019/20: \$1,655.7 million) pertained to the peacekeeping operations. Their share of net income from the main pool was \$21.3 million (2019/20: \$48.9 million).

Financial instruments

(Thousands of United States dollars)

	Note	30 June 2021	30 June 2020
Financial assets			
Fair value through surplus or deficit			
Short-term investments – share of main pool ^a		996 073	1 111 525
Long-term investments – share of main pool ^b		329 716	418 386
Total assets at fair value through surplus or deficit		1 325 789	1 529 911
Loans and receivables			
Cash and cash equivalents – share of main pool	7	126 732	135 519
Cash and cash equivalents – other	7	2 939	3 943
Subtotal cash and cash equivalents		129 671	139 462

	Note	30 June 2021	30 June 2020
Assessed contributions	8	1 760 401	1 654 826
Voluntary contributions	9	—	—
Other receivables	10	49 171	46 835
Other assets (excludes deferred charges)	12	23 021	21 309
Total loans and receivables		1 962 264	1 862 432
Total carrying amount of financial assets		3 288 053	3 392 343
Total financial assets relating to assets held in the main pool		1 452 521	1 665 430
Financial liabilities at amortized cost			
Accounts payable – Member States	15	1 200 602	1 558 965
Accounts payable – other	15	617 830	693 564
Other liabilities (excludes borrowings)	19	12 416	11 820
Total liabilities at amortized cost		1 830 848	2 264 349
Summary of net income from financial assets			
Net main cash pool income		10 045	48 885
Other investment revenue		444	832
Total investment revenue		10 489	49 717

^a Carrying amount: \$998.750 million at 30 June 2021, \$1,110.246 million at 30 June 2020.

^b Carrying amount: \$326.996 million at 30 June 2021, \$409.937 million at 30 June 2020.

Revenue from financial instruments

(Thousands of United States dollars)

	2020/21	2019/20
Financial instruments carried at fair value		
Investment revenue – share of main pool	15 691	38 025
Unrealized gains/(losses) – share of main pool	(5 646)	10 860
Revenue from financial assets carried at fair value	10 045	48 885
Financial instruments not carried at fair value		
Realized/unrealized gains/(losses)	—	—
Total revenue from financial instruments	10 045	48 885

Financial risk management: overview

155. The peacekeeping operations have exposure to the following financial risks:

- (a) Credit risk;
- (b) Liquidity risk;
- (c) Market risk.

156. The present note provides information on the exposure of the peacekeeping operations to these risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

Financial risk management: risk management framework

157. The risk management practices of the peacekeeping operations are in accordance with the Financial Regulations and Rules and the United Nations Investment Management Guidelines. The United Nations Treasury is responsible for investment and risk management for the cash pools, including conducting investment activities in accordance with the Guidelines.

158. The objective of investment management is to preserve capital and ensure sufficient liquidity to meet operating cash requirements while attaining a competitive market rate of return on each investment pool. Investment quality, safety and liquidity are emphasized over the market-rate-of-return component of the objectives.

159. An Investment Committee periodically evaluates investment performance and assesses compliance with the Guidelines and makes recommendations for updates to them. Other than those disclosed, the peacekeeping operations have not identified any further risk concentrations arising from financial instruments.

160. The peacekeeping operations define the capital that they manage as the aggregate of their net assets, which comprises accumulated fund balances and reserves. The objectives are to safeguard the ability of the operations to continue as a going concern and to fulfil the mandates of the peacekeeping missions. The peacekeeping operations manage their capital in the light of global economic conditions, the risk characteristics of the underlying assets and their current and future working capital requirements.

Financial risk management: credit risk

161. Credit risk is the risk of financial loss resulting from a counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises from cash and cash equivalents, investments, deposits and forward currency contracts with financial institutions, as well as credit exposure to outstanding receivables. The carrying value of financial assets is the maximum exposure to credit risk.

Credit risk: management

162. The Investment Management Guidelines require ongoing monitoring of issuer and counterparty credit ratings. Permissible main pool investments may include, but are not restricted to, bank deposits, commercial paper, supranational securities, government agency securities and government securities with maturities of five years or fewer. The main pool does not invest in derivative instruments such as asset-backed or mortgage-backed securities or in equity products.

163. The investment management function is centralized at United Nations Headquarters, and under normal circumstances missions are not permitted to engage in investing.

Credit risk: contributions receivable and other receivables

164. A large portion of contributions receivable is due from Member States and other United Nations entities that do not have significant credit risk. As at the reporting date, the peacekeeping operations did not hold any collateral as security for receivables (2018/19: none).

Credit risk: allowance for doubtful receivables

165. The peacekeeping operations evaluate the allowance for doubtful receivables at each reporting date. An allowance is established when there is objective evidence that the peacekeeping operation will not collect the full amount due. Balances credited to the allowance for doubtful receivables account are utilized when management

approves write-offs under the Financial Regulations and Rules or are reversed when previously impaired receivables are received. The movement in the allowances account during the year is shown below.

(Thousands of United States dollars)

	2020/21	2019/20
Allowance for doubtful receivables as at 1 July	765 635	723 301
Amounts written off	(3 426)	(642)
Adjustments during the year	(42 838)	42 976
Allowance for doubtful receivables as at 30 June	719 371	765 635

166. On the basis of their monitoring of credit risk, the peacekeeping operations believe that, except as indicated, no impairment allowance is necessary in respect of receivables.

Credit risk: assessed contributions

167. The ageing and associated allowance of assessed contributions receivable are shown below.

Ageing of assessed contributions receivable

(Thousands of United States dollars)

	2020/21		2019/20	
	Gross receivable	Allowance	Gross receivable	Allowance
Less than one year	1 265 420	—	1 308 507	—
One to two years	199 706	—	146 544	—
More than two years	861 269	565 994	818 990	619 215
Total	2 326 395	565 994	2 274 041	619 215

Credit risk: voluntary contributions and other receivables

168. The ageing and associated allowance of receivables other than assessed contributions are shown below.

Ageing of voluntary contributions and other receivables

(Thousands of United States dollars)

	2020/21		2019/20	
	Gross receivable	Allowance	Gross receivable	Allowance
Neither past due nor impaired	11 269	—	3 265	—
Less than one year	26 908	—	30 139	—
One to two years	8 835	2 209	13 225	3 306
Two to three years	10 920	6 552	8 780	5 268
More than three years	144 616	144 616	137 846	137 846
Total	202 548	153 377	193 255	146 420

Credit risk: cash and cash equivalents

169. The peacekeeping operations had cash and cash equivalents of \$129.7 million (2019/20: \$139.5 million) as at the reporting date, which is the maximum credit exposure on these assets.

Credit risk: cash pool investments

170. It is required under the Investment Management Guidelines that investments not be made in issuers whose credit ratings are below specifications and provide for maximum concentrations with given issuers. With regard to the current and prior years, those requirements were met at the time the investments were made. The credit ratings used for the main pool are those determined by major credit-rating agencies; Standard & Poor's Financial Services, Moody's Investors Service and Fitch Ratings are used to rate bonds and discounted instruments, and the Fitch viability rating is used to rate bank term deposits.

Investments of the main pool by credit ratings as at year end

<i>Investment</i>	<i>Ratings as at 30 June 2021</i>	<i>Ratings as at 30 June 2020</i>
Bonds (long-term ratings)	S&P: 40.3% AAA, 59.7% AA+u/AA+/AA/AA-/AA; Fitch: 64.5% AAA, 14.0% AA+/AA/AA- and 21.5% not rated; Moody's: 55.5% Aaa, 36.8% Aa1/Aa2/Aa3 and 7.7% not rated	S&P: 44.9% AAA, 47.3% AA+/AA/AA- and 7.8% not rated; Fitch: 60% AAA, 18.6% AA+/AA/AA- and 21.4% not rated; Moody's: 55.5% Aaa, 36.8% Aa1/Aa2/Aa3 and 7.7% not rated
Commercial papers (short-term ratings)	S&P: 98.3% A-1+u/A-1+/A-1 and 1.7% AAA; Fitch: 1.7% AAA, 91.3% F1+/F1, 6.9% not rated; Moody's: 1.7% Aaa, 96.7% P-1, 1.6% W	S&P: 100% A-1+; Fitch: 72.9% F1+/F1, 27.1% not rated; Moody's: 92.3% P-1, 7.7% P-3
Term deposits (Fitch viability ratings)	Fitch: 25.01% aa/aa-, 48.81% a+/a/a- and 26.19% N/A	Fitch: 39.7% aa- and 60.3% a+/a
Certificates of deposit (short-term ratings)	S&P: 100% A1+/A1; Fitch: 100% F1+/F1; Moody's: 100% P-1	S&P: 100% A1+/A1; Fitch: 100% F1+/F1; Moody's: 100% P-1

171. The United Nations Treasury actively monitors credit ratings and, given that it has invested only in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except for any impaired investments.

Financial risk management: liquidity risk

172. Liquidity risk is the risk that the peacekeeping operations may not have adequate funds to meet their obligations as they fall due. The approach to managing liquidity is to ensure that an operation will always have sufficient liquidity to meet its liabilities

when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the reputation of the peacekeeping operations.

173. It is required under the Financial Regulations and Rules that expenses be incurred after the receipt of funds from donors, thereby considerably reducing the liquidity risk with regard to assessed contributions, which are a largely stable annual cash flow. Exceptions to incurring expenses prior to the receipt of funds are permitted only if specified risk management criteria are adhered to with regard to amounts receivable.

174. The peacekeeping operations perform cash flow forecasting and monitor rolling forecasts of liquidity requirements to ensure there is sufficient cash to meet operational needs. Investments are made with due consideration to the cash requirements for operating purposes based on cash flow forecasting. The peacekeeping operations maintain a large portion of their investments in cash equivalents and short-term investments sufficient to cover their commitments as and when they fall due.

175. The periodic cash shortage in MINURSO and UNMIK persisted in 2020/21, and the two missions had to borrow from another active peacekeeping mission: MINUSMA. The liquidity of UNSOS deteriorated at the end of the year, and it had to borrow \$40.0 million from MINUSMA in June 2021. The loans payable as at 30 June 2021 in MINURSO, UNMIK and UNSOS were \$10.0 million, \$32.5 million and \$40.0 million, respectively (2019/20: \$15.0 million, \$30.0 million and nil), to bring the total outstanding cross-borrowing as at 30 June 2021 to \$82.5 million (2019/20: \$45.0 million).

Liquidity risk: cash pool investments

176. The main pool is exposed to liquidity risk associated with the requirement of participants to make withdrawals on short notice. It maintains sufficient cash and marketable securities to meet participants' commitments as and when they fall due. The major portion of cash and cash equivalents and investments are available within one day's notice to support operational requirements. Main pool liquidity risk is therefore considered to be low.

Liquidity risk: financial liabilities

177. The exposure to liquidity risk is based on the notion that the entity may encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely owing to the cash and cash equivalents, receivables and investments available to the entity and internal policies and procedures put in place to ensure that there are appropriate resources to meet its financial obligations. As at the reporting date, the peacekeeping operations had not pledged any collateral for any liabilities or contingent liabilities (2019/20: none), and during the year no accounts payable or other liabilities were forgiven by third parties (2019/20: none). Maturities for financial liabilities based on the earliest date at which the peacekeeping operations can be required to settle each financial liability are shown below.

Maturities for financial liabilities, undiscounted

(Thousands of United States dollars)

	<3 months	3 to 12 months	>1 year	Total
As at 30 June 2021				
Accounts payable and accrued payables	1 818 432	–	–	1 818 432
Other liabilities (excludes borrowings)	12 416	–	–	12 416
Total as at 30 June 2021	1 830 848	–	–	1 830 848

	<3 months	3 to 12 months	>1 year	Total
As at 30 June 2020				
Accounts payable and accrued payables	2 252 529	–	–	2 252 529
Other liabilities (excludes borrowings)	11 820	–	–	11 820
Total as at 30 June 2020	2 264 349	–	–	2 264 349

Financial risk management: market risk

178. Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices of investment securities, will affect the revenue of the peacekeeping operations or the value of their financial assets and liabilities. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the fiscal position.

Market risk: currency risk

179. Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in foreign exchange rates. The peacekeeping operations have transactions, assets and liabilities in currencies other than in their functional currency and are exposed to currency risk arising from fluctuations in currency exchange rates.

180. Non-United States dollar holdings have the primary objective of supporting local operating activities in mission countries. The peacekeeping operations maintain a minimum level of assets in local currencies and, whenever possible, maintain bank accounts in United States dollars. Some cash is held in currencies that are either legally restricted or not readily convertible to United States dollars and used exclusively for local expenses in the respective countries.

181. The peacekeeping operations mitigate currency risk exposure by structuring contributions from donors in foreign currency to correspond to the foreign currency needs for operational purposes. Given that the main pool is predominantly denominated in United States dollars, it has low currency risk and, in conjunction with the low risk of other financial instruments, the peacekeeping operations consider currency risk to be low (2019/20: currency risk considered to be low).

Market risk: interest rate risk

182. Interest rate risk is the risk of variability in fair values or future cash flows of financial instruments owing to changes in interest rates. In general, as an interest rate rises, the price of a fixed-rate security falls, and vice versa. Interest rate risk is commonly measured by the fixed-rate security's duration, expressed in years. The longer the duration, the greater the interest rate risk.

183. Fixed-rate cash, cash equivalents and investments are the interest-bearing financial instruments of the peacekeeping operations. The main pool comprises their main exposure to interest rate risk. As at the reporting date, the main pool was invested primarily in securities with shorter terms to maturity, with the maximum being fewer than four years (2019/20: fewer than five years). The average duration of the main pool was 0.70 years (2019/20: 0.79 years), which is considered to be an indicator of low risk.

Market risk: cash pool interest rate risk sensitivity analysis

184. The cash pool interest rate risk sensitivity analysis shows how the fair value of the main pool as at the reporting date would increase or decrease should the overall

yield curve shift in response to changes in interest rates. Given that these investments are accounted for at fair value through surplus or deficit, the change in fair value represents the increase or decrease of the surplus or deficit and net assets. The impact of a shift up or down of up to 200 basis points in the yield curve is shown (100 basis points equals 1 per cent). These basis point shifts are illustrative.

Main pool interest rate risk sensitivity analysis

(Millions of United States dollars)

	Shift in yield curve (basis points)								
	-200	-150	-100	-50	0	50	100	150	200
Increase/(decrease) in fair value									
Main pool total: 30 June 2021	149.3	112.0	74.6	37.3	–	(37.3)	(74.6)	(112.0)	(149.3)
Main pool total: 30 June 2020	145.2	108.9	72.6	36.3	–	(36.3)	(72.6)	(108.9)	(145.2)

Market risk: other

185. The main pool is not exposed to significant other market price risk, given that it does not sell short or borrow securities or purchase securities on margin, which limits the potential loss of capital.

Accounting classifications and fair value

186. All investments are reported at fair value through surplus and deficit. For cash and cash equivalents, receivables and accounts payable, carrying value is a fair approximation of fair value.

Fair value hierarchy

187. The table below analyses financial instruments carried at fair value, by the fair value hierarchy levels. The levels are defined as:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

188. The fair value of financial instruments traded in active markets is based on quoted market prices as at the reporting date and is determined by the independent custodian based on valuation of securities sourced from third parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by the main pool is the current bid price.

189. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that maximize the use of observable market data. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in level 2.

190. The following fair-value hierarchy presents the main pool assets that are measured at fair value as at the reporting date. There were no level 3 financial assets or any liabilities carried at fair value or any significant transfers of financial assets between fair value hierarchy classifications.

Fair value hierarchy

(Thousands of United States dollars)

	30 June 2021			30 June 2020		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Main pool financial assets at fair value through surplus or deficit						
Bonds – corporate	30 272	–	30 272	313 006	–	313 006
Bonds – non-United States agencies	1 636 622	–	1 636 622	931 953	–	931 953
Bonds – non-United States sovereigns	90 553	–	90 553	90 989	–	90 989
Bonds – supranationals	843 012	–	843 012	613 502	–	613 502
Bonds – United States Treasury	599 250	–	599 250	404 250	–	404 250
Main pool – commercial papers	–	2 741 608	2 741 608	–	1 288 368	1 288 368
Main pool – certificate of deposit	–	2 333 586	2 333 586	–	3 146 786	3 146 786
Main pool – term deposits	–	1 660 000	1 660 000	–	1 780 000	1 780 000
Total	3 199 709	6 735 194	9 934 903	2 353 700	6 215 154	8 568 854

Note 24 Expenses

Employee salaries, allowances and benefits

191. Employee salaries include international, national and general temporary staff salaries, post adjustments and staff assessments. The allowances and benefits include other staff entitlements, including pension and insurance subsidies and staff assignment, repatriation, hardship and other allowances.

(Thousands of United States dollars)

	2020/21	2019/20
Salary, wages and other entitlements	1 440 614	1 395 146
Pension and insurance benefits	340 075	345 365
After-service health insurance	11 752	12 428
Repatriation benefits	26 870	9 171
Leave benefits	20 148	11 240
Total employee salaries, allowances and benefits	1 839 459	1 773 350

Contingent contracted services

192. Expenses for contingent contracted services comprise reimbursements to troop- and formed police unit-contributing countries for personnel, equipment and self-sustainment services. The reimbursements are made at predetermined standard rates based on person/month and the generic types of equipment.

(Thousands of United States dollars)

	2020/21	2019/20
Contingent troop and police costs	1 355 645	1 406 992
Contingent-owned equipment and self-sustainment	891 388	938 834
Contingent emplacement and rotation	116 087	88 596
Contingent operations	25 195	24 861
Total contingent contracted services	2 388 315	2 459 283

Non-employee compensation and allowances

193. Non-employee compensation and allowances consist of United Nations Volunteers living allowances and benefits, military observers and United Nations police mission subsistence and other compensation and allowances and consultant and contractors' fees.

(Thousands of United States dollars)

	2020/21	2019/20
United Nations Volunteers	81 806	77 418
Military observers	61 459	62 670
United Nations police	96 217	114 361
Consultants and other contractors	36 796	35 925
Other	11 958	12 269
Total non-employee compensation and allowances	288 236	302 643

Grants and other transfers

194. Grants and other transfers include outright grants to implementing agencies, partners and other entities for quick-impact projects. The allocation to direct support costs represents contributions to the Umoja-related expense, the administration of internal justice expense and the implementation of the global service delivery model.

(Thousands of United States dollars)

	2020/21	2019/20
Quick-impact projects	11 752	9 022
Transfers to implementing partners	57 556	55 081
Allocation to direct support costs	15 235	21 991
Total grants and other transfers	84 543	86 094

Supplies and consumables

195. Supplies and consumables include acquisition of fuel, rations, office supplies, spare parts, medical supplies and general maintenance supplies.

(Thousands of United States dollars)

	2020/21	2019/20
Fuel and lubricants	204 144	239 092
Rations	265 938	276 399
Spare parts and consumables ^a	88 811	79 886
Write-off of inventory	24 561	20 315
Total supplies and consumables	583 454	615 692

^a Includes net adjustment as a result of the physical inventory reconciliation and optimization project, which is not identifiable (see para. 107).

Travel

196. Travel expenses relate to travelling costs such as transportation, allowances and other related costs for staff, consultants and non-staff.

(Thousands of United States dollars)

	2020/21	2019/20
Staff travel	14 875	19 633
Representative travel	134	437
Total travel	15 009	20 070

Self-insurance claims and expenses

197. Self-insurance claims and expenses in the amount of \$2.4 million (2019/20: \$2.2 million) relate to appendix D payments.

Other operating expenses

198. Other operating expenses include maintenance, utilities, contracted services, training, security services, shared services, rent, insurance, allowance for doubtful receivables and expenses related to mine action.

(Thousands of United States dollars)

	2020/21	2019/20
Air transport	402 925	405 364
Ground transport	12 961	12 108
Communications and information technology	181 771	180 016
Facilities	78 665	125 350
Mine action services	141 556	152 499
Other contracted services	179 474	180 210
Acquisitions of goods	56 461	79 911
Acquisitions of intangible items	17 784	19 124
Rent – offices, premises and equipment	37 499	36 670
Maintenance and repair	48 533	39 322
Other	40 262	151 962
Total other operating expenses	1 197 891	1 382 536

Other expenses

199. Other expenses include contributions in kind, hospitality and official functions, and ex gratia and compensation claims.

(Thousands of United States dollars)

	2020/21	2019/20
Contributions in kind	316 535	300 263
Ex gratia and compensation claims	1 015	327
Other	37	97
Total other expenses	317 587	300 687

Note 25**Credits to Member States**

(Thousands of United States dollars)

	2020/21	2019/20
Provisions made for the current year	366 923	233 487
Prior-year provisions unused and reversed	(205)	(514)
Prior-year provisions applied to assessments for commitment authorities	(27 421)	(61 644)
Total	339 297	171 329

Note 26**Related parties***Key management personnel*

200. Key management personnel are those with the ability to exercise significant influence over the financial and operating decisions of the peacekeeping operations. The key management personnel group for peacekeeping operations comprises the Secretary-General, the Deputy Secretary-General and selected officials at the levels of Under-Secretary-General, Assistant Secretary-General and heads of peacekeeping missions. These persons have the relevant authority and responsibility for planning, directing and controlling the activities of the peacekeeping operations.

Key management personnel as at 30 June 2021

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
António Guterres	Secretary-General of the United Nations	January 2017
Amina J. Mohammed	Deputy Secretary-General of the United Nations	February 2017
Maria L. R. Viotti	Chef de Cabinet	January 2017
Catherine Pollard	Under-Secretary-General for Management Strategy, Policy and Compliance	September 2019
Atul Khare	Under-Secretary-General for Operational Support	January 2019
Jean-Pierre Lacroix	Under-Secretary-General for Peace Operations	February 2017

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Chandramouli Ramanathan	Controller	February 2019
Elizabeth Spehar	Special Representative of the Secretary-General and Head of UNFICYP	June 2016
Major-General Ishwar Hamal	Head of UNDOF and Force Commander	July 2020
Major-General Stefano Del Col	Head of UNIFIL and Force Commander	August 2018
Colin W. Stewart	Special Representative of the Secretary-General and Head of MINURSO	December 2017
Zahir Tanin	Special Representative of the Secretary-General and Head of UNMIK	October 2015
Bintou Keita	Special Representative of the Secretary-General and Head of MONUSCO	February 2021
M'Baye Babacar Cissé	Assistant Secretary-General for UNAMID	February 2021
Lisa K. Filipetto	Assistant Secretary-General and Head of UNSOS	March 2018
Major-General Kefyalew Amde Tessema	Force Commander and Acting Head of UNISFA	July 2020
Nicholas R.L. Haysom	Special Representative of the Secretary-General and Head of UNMISS	April 2021
El-Ghassim Wane	Special Representative of the Secretary-General and Head of MINUSMA	May 2021
Mankeur Ndiaye	Special Representative of the Secretary-General and Head of MINUSCA	March 2019

201. The aggregate remuneration paid to key management personnel includes salaries, post adjustment and other entitlements such as grants, subsidies and employer pension and health insurance contributions.

(Thousands of United States dollars)

	<i>2020/21</i>	<i>2019/20</i>
Key management personnel		
Salary and post adjustment	5 578	5 304
Other monetary entitlements	1 922	1 511
Non-monetary benefits	857	1 222
Total key management personnel remuneration	8 357	8 037

202. A residence, with an annual rental fair value equivalent of \$0.7 million (2019/20: \$1.2 million), is provided to the Secretary-General free of charge. Other non-monetary benefits provided to key management personnel include free or subsidized housing and services. Advances made to key management personnel are those made against entitlements in accordance with the Staff Regulations and Rules; such advances against entitlements are widely available to all staff of peacekeeping operations.

Trust fund activities related to peacekeeping operations

203. The following peacekeeping-related funds, which augment the activities of the peacekeeping operations, are structured as trust funds and, accordingly, appear in the financial statements of the United Nations. The reserves and fund balances of these related trust funds as at year end are shown below.

Activities related to peacekeeping operations funded by trust funds: reserves and fund balances

(Thousands of United States dollars)

	2020/21	2019/20
Trust fund in support of the delimitation and demarcation of the Ethiopia/Eritrea border	1 553	1 544
Trust fund for Somalia – unified command	429	426
Trust fund in support of the implementation of the Agreement on a Ceasefire and Separation of Forces signed in Moscow on 14 May 1994	9	9
Trust fund for the police assistance programme in Bosnia and Herzegovina	338	337
Trust fund in support of United Nations peacemaking and peacekeeping activities	2 293	2 280
Trust fund in support of the Department of Peace Operations	35 173	33 201
Trust fund to support the peace process in the Democratic Republic of the Congo	2 348	2 368
Trust fund to support the United Nations Interim Administration in Kosovo	1 153	1 146
Trust fund to support the Ituri Pacification Commission	8	7
Trust fund in support of the peace process in the Sudan	475	472
Trust fund for the African Union-United Nations joint mediation support team for Darfur	5 977	6 394
Trust fund for the support of the activities of the United Nations Mission in the Central African Republic and Chad	1 839	1 829
Trust fund to support lasting peace in Darfur	361	409
Trust fund in support of the African Union Mission in Somalia	8 745	12 622
Trust fund in support of the African-led International Support Mission in Mali	783	780
Trust fund in support of peace and security in Mali	43 946	46 021
Trust fund for the United Nations Operation in Côte d'Ivoire	178	177
Trust fund in support of the political transition in Haiti	252	251
Trust fund in support of the elimination of Syrian chemical weapons	320	318
Trust fund in support of the African-led International Support Mission in the Central African Republic	215	214
Trust fund for the United Nations Mission in South Sudan	1 773	1 100
Trust fund to support peace and security in Cyprus	26	27
Trust fund to provide assistance to human rights victims in Kosovo	10	10
Trust Fund to support the United Nations Office to the African Union pursuant to Security council resolutions 2320 (2016) , 2378 (2017) and 2457 (2019)	1 263	–
Total	109 467	111 942

Peacekeeping-related operations funded by the regular budget

204. Shown below are peacekeeping-related operations that are funded by the regular budget and appear in the financial statements of the United Nations.

Peacekeeping-related operations funded by the regular budget

(Thousands of United States dollars)

	<i>Appropriation</i>	<i>Expenditure on a budget basis</i>	<i>Unencumbered balance</i>
Year ended 31 December 2020			
Department of Peace Operations	5 858	5 091	767
Peacekeeping missions funded by the regular budget			
UNTSO	35 883	34 815	1 068
UNMOGIP	10 862	9 851	1 011
Total	52 603	49 757	2 846
Year ended 31 December 2019			
Department of Peace Operations	5 374	5 374	–
Department of Operational Support	–	6	(6)
Peacekeeping missions funded by the regular budget			
UNTSO	35 639	35 494	145
UNMOGIP	9 960	9 388	572
Total	50 972	50 262	710

Related entity transactions

205. In the ordinary course of business, in order to achieve economies in executing transactions, financial transactions are often executed by one financial reporting entity on behalf of another and subsequently settled. No interest is levied on inter entity balances.

Payable to the United Nations General Fund

206. The peacekeeping operations have a payable due to the United Nations General Fund in the amount of \$47.4 million (2019/20: \$47.4 million), of which \$37.4 million relates to ONUC and \$10.0 million relates to UNEF. Those missions closed on 30 June 1964 and 30 June 1967, respectively.

United Nations peacekeeping operations: balances reflected in the Tax Equalization Fund

207. The financial statements of the peacekeeping operations report employee benefits expenses on a net-of-tax basis. The tax liabilities relating to peacekeeping operations are reported separately as part of the Tax Equalization Fund in the financial statements of the United Nations, which has a 31 December financial reporting date.

208. The Tax Equalization Fund was established under the provisions of General Assembly resolution 973 (X) to equalize the net pay of all staff members, whatever their national tax obligations. The Fund operationally reports as income staff assessment with respect to staff members financed under the regular budget, assessed peacekeeping operations, the International Criminal Tribunal for Rwanda, the International Tribunal for the Former Yugoslavia and the International Residual Mechanism for Criminal Tribunals.

209. The Fund includes as expenditure the credits against the regular budget, peacekeeping, the International Residual Mechanism and the international tribunals with respect to the assessments of Member States that do not levy taxes on the United Nations income of their nationals. Member States that do levy income taxes on their nationals working for the Organization do not receive this credit in full. Instead, their

share is utilized in the first instance to reimburse staff members for taxes paid on their United Nations income. Such reimbursements for taxes paid are partially reported as expenditure by the Fund. Staff members financed by extrabudgetary funds who are required to pay income tax are reimbursed directly from the resources of those funds. Given that the Organization acts as an agent in this arrangement, the net total of the related revenue and expenses is reported as a payable in these financial statements.

210. The cumulative surplus accumulated in the Tax Equalization Fund as at 31 December 2020 was \$150.99 million (2019: \$123.0 million), consisting of amounts payable to the United States of America at year end of \$109.3 million (2019: \$70.2 million) and to other Member States of \$41.7 million (2019: \$52.8 million). The amount payable to the United States at year end 2020 includes approximately \$49.9 million (2019: \$32.5 million) relating to the peacekeeping operations. The overall amount payable by the Fund is \$200.2 million (2019: \$182.6 million), which includes an estimated tax liability of \$49.3 million relating to the 2020 and prior tax years (2019: \$59.6 million), of which approximately \$29.76 million was disbursed in January 2021 and approximately \$19.49 million was settled in April 2021.

Peacekeeping cost-recovery fund

211. Services provided to other United Nations agencies amounted to \$14.2 million (2019/20: \$16.1 million) and services provided to the troop-contributing countries and other Member States amounted to \$15.4 million (2019/20: \$13.8 million).

Year ended 30 June 2021

(Thousands of United States dollars)

	<i>Other United Nations agencies</i>	<i>Troop-contributing countries and other Member States</i>	<i>Non-governmental organizations and international agencies</i>	<i>Vendors</i>	<i>Other external entities</i>	<i>Between peacekeeping missions</i>	<i>Total</i>
Fuel	4 187	5 649	2 081	2 290	690	2 635	17 532
Logistics support – air transport	915	275	322	1 365	218	2 686	5 781
Logistics support – ground transport	147	8 391	193	98	99	114	9 042
Communications and information technology support	1 747	225	59	60	7 093	57 484	66 668
Building maintenance and utilities	5 215	(2 475)	1 134	2 734	1 219	2 713	10 540
Supplies – rations	105	2 935	64	–	62	219	3 385
Medical services	270	257	126	569	5	–	1 227
Staff services	14	–	–	78	304	8 031	8 427
Other services	1 571	109	1 445	849	81	826	4 881
Total other revenue	14 171	15 366	5 424	8 043	9 771	74 708	127 483

Year ended 30 June 2020

(Thousands of United States dollars)

	<i>Other United Nations agencies</i>	<i>Troop-contributing countries and other Member States</i>	<i>Non-governmental organizations and international agencies</i>	<i>Vendors</i>	<i>Other external entities</i>	<i>Between peacekeeping missions</i>	<i>Total</i>
Fuel	4 101	1 089	618	2 946	655	2 972	12 381
Logistical support – air transport	1 068	249	476	771	139	2 057	4 760
Logistical support – ground transport	582	1 831	59	370	451	100	3 393

	Other United Nations agencies	Troop-contributing countries and other Member States	Non-governmental organizations and international agencies	Vendors	Other external entities	Between peacekeeping missions	Total
Communications and information technology support	1 516	135	48	128	8 124	55 747	65 698
Building maintenance and utilities	5 860	7 302	2 699	1 382	3 137	2 271	22 651
Supplies – rations	252	3 025	1 064	–	76	177	4 594
Medical services	505	16	161	295	31	16	1 024
Staff services	86	–	34	37	119	6 852	7 128
Other services	2 163	131	1 118	527	439	272	4 650
Total other revenue	16 133	13 778	6 277	6 456	13 171	70 464	126 279

Note 27 Commitments

Operating lease commitments

212. The peacekeeping operations enter into operating leases for the use of land, permanent and temporary buildings and equipment. The total lease payments recognized in expenditure for the year were \$33.0 million (2019/20: \$33.2 million). The contingent rent payments are determined by the lease contracts. There were no purchase options, escalation clauses or restrictions imposed by the lease arrangements. Future minimum lease payments under non-cancellable arrangements are shown below.

(Thousands of United States dollars)

	30 June 2021	30 June 2020
Less than 1 year	10 570	11 277
1 to 5 years	24 898	21 553
More than 5 years	3 506	3 391
Total minimum lease commitments	38 974	36 221

Contractual commitments

213. As at the reporting date, commitments for goods and services contracted but not delivered amounted to \$416.9 million (2019/20: \$389.6 million).

(Thousands of United States dollars)

	30 June 2021	30 June 2020
Property, plant and equipment	112 758	64 075
Intangibles	673	1 208
Goods and services	303 516	324 327
Total open contractual commitments	416 947	389 610

Note 28**Contingent liabilities and contingent assets***Contingent liabilities*

214. In the normal course of peacekeeping operations, the missions are involved from time to time in various arbitrations, commercial claims and litigations, and other legal or governmental actions. Given the nature of legal matters and the complexities involved, it is often difficult to predict and determine a meaningful estimate of loss or range of loss or the timing of any future outflows. Thus, accruals for legal matters are not recorded until a loss for a particular matter is considered probable and can be reasonably estimated. As at 30 June 2021, the total amount of contingent liabilities related to commercial claims and other claims of a private-law nature was \$20.0 million (2019/20: \$26.2 million).

215. Administrative law claims arise, for the most part, from appointment-related matters, benefits and entitlements, and separation from service. Accruals for those claims are not recorded until the outcome is probable and potential compensation can be reasonably estimated. The contingent liabilities for such claims, as at 30 June 2021, were \$5.0 million (2019/20: \$4.4 million), including an amount of \$0.8 million (2019/20: \$1.4 million) carried over from the previous year and an additional amount of \$4.2 million (2019/20: \$3.0 million) for the cases filed during the course of the current year. These claims may be settled during 2021/22, but the uncertain outcome of these claims makes the amount and timing of the outflows unpredictable.

Contingent assets

216. In accordance with IPSAS 19: Provisions, contingent liabilities and contingent assets, the Organization discloses contingent assets when an event gives rise to a probable inflow of economic benefits or service potential to the Organization and there is sufficient information to assess the probability of that inflow. As at 30 June 2021, there were \$0.174 million (2019/20: none) in contingent assets arising from the Organization's legal claims against third parties that were likely to result in a significant economic inflow.

Note 29**Events after the reporting date**

217. There were no other material events, favourable or unfavourable, that occurred between the date of the financial statements and the date when the financial statements were authorized for issue that would have had a material impact on these statements.

Annex I

Financial reporting by mission

Statement of financial position as at 30 June 2021: active missions

(Thousands of United States dollars)

	<i>UNFICYP</i>	<i>UNDOF</i>	<i>UNIFIL</i>	<i>MINURSO</i>	<i>UNMIK</i>	<i>MONUSCO</i>	<i>UNAMID</i>	<i>UNSOS</i>
Assets								
Cash and cash equivalents	859	2 216	11 812	161	326	12 598	6 203	464
Investments	8 624	23 071	121 099	1 448	2 860	131 718	64 383	4 563
Assessments receivable	14 921	16 782	110 959	48 005	34 337	281 200	184 378	264 222
Other receivables	2	69	1 953	420	23	2 680	297	691
Inventories	2 017	2 120	12 648	3 978	1 219	32 033	22 156	42 256
Property, plant and equipment	5 369	35 230	77 124	11 006	1 758	80 674	78 691	184 168
Other assets	70	87	893	447	256	1 609	3 630	6 384
Total assets	31 862	79 575	336 488	65 465	40 779	542 512	359 738	502 748
Liabilities								
Accounts payable	8 037	17 486	158 043	4 886	823	249 512	193 610	139 626
Total employee benefits	502	211	1 366	769	709	6 866	23 686	3 090
Other liabilities and provisions	1 203	3 300	16 072	12 584	35 548	102 720	20 726	89 203
Total liabilities	9 742	20 997	175 481	18 239	37 080	359 098	238 022	231 919
Net of total assets and total liabilities	22 120	58 578	161 007	47 226	3 699	183 414	121 716	270 829
Net assets								
Accumulated surplus (deficit) – unrestricted	22 120	22 591	141 442	47 226	3 699	183 414	121 716	270 829
Accumulated surplus (deficit) – restricted	–	35 987	19 565	–	–	–	–	–
Reserves	–	–	–	–	–	–	–	–
Total net assets	22 120	58 578	161 007	47 226	3 699	183 414	121 716	270 829

Statement of financial performance for the year ended 30 June 2021: active missions

(Thousands of United States dollars)

	<i>UNFICYP</i>	<i>UNDOF</i>	<i>UNIFIL</i>	<i>MINURSO</i>	<i>UNMIK</i>	<i>MONUSCO</i>	<i>UNAMID</i>	<i>UNSOS</i>
Assessed contributions	31 271	67 574	512 755	61 741	42 488	1 163 157	502 288	590 958
Voluntary contributions/other transfers and allocations	24 917	1 013	5 142	4 224	95	15 624	1 011	110 023
Investment revenue	42	90	547	46	40	1 171	533	930
Other revenue	284	335	881	576	65	1 782	1 952	1 075
Total revenues	56 514	69 012	519 325	66 587	42 688	1 181 734	505 784	702 986
Employee salaries, allowances and benefits	16 284	14 702	98 844	21 134	30 160	231 963	180 454	84 331
Contingent contracted services	18 081	31 793	309 711	696	—	385 052	164 638	92 757
Other expenses	21 410	21 470	88 932	39 104	12 287	430 933	207 251	488 395
Credits to Member States	705	3 294	15 824	2 559	271	67 982	18 953	41 852
Total expenses	56 480	71 259	513 311	63 493	42 718	1 115 930	571 296	707 335
Surplus/(deficit) for the year	34	(2 247)	6 014	3 094	(30)	65 804	(65 512)	(4 349)

Statement of financial position as at 30 June 2021: active missions (concluded)

(Thousands of United States dollars)

	<i>UNISFA</i>	<i>UNMISS</i>	<i>MINUSMA</i>	<i>MINUSCA</i>	<i>Total</i>
Assets					
Cash and cash equivalents	1 938	5 368	20 222	13 338	75 505
Investments	19 461	33 284	210 681	138 363	759 555
Assessments receivable	58 695	285 273	249 515	186 052	1 734 339
Other receivables	602	171	98 250	621	105 779
Inventories	16 651	62 749	87 762	41 991	327 580
Property, plant and equipment	81 881	230 476	223 515	164 336	1 174 228
Other assets	588	3 367	3 465	5 574	26 370
Total assets	179 816	620 688	893 410	550 275	4 203 356

	<i>UNISFA</i>	<i>UNMISS</i>	<i>MINUSMA</i>	<i>MINUSCA</i>	<i>Total</i>
Liabilities					
Accounts payable	37 170	217 695	342 809	234 417	1 604 114
Total employee benefits	1 151	8 137	4 979	6 738	58 204
Other liabilities and provisions	3 049	34 693	132 597	30 341	482 036
Total liabilities	41 370	260 525	480 385	271 496	2 144 354
Net of total assets and total liabilities	138 446	360 163	413 025	278 779	2 059 002
Net assets					
Accumulated surplus (deficit) – unrestricted	138 446	360 163	413 025	278 779	2 003 450
Accumulated surplus (deficit) – restricted	–	–	–	–	55 552
Reserves	–	–	–	–	–
Total net assets	138 446	360 163	413 025	278 779	2 059 002

Statement of financial performance for the year ended 30 June 2021: active missions (concluded)

(Thousands of United States dollars)

	<i>UNISFA</i>	<i>UNMISS</i>	<i>MINUSMA</i>	<i>MINUSCA</i>	<i>Total</i>
Assessed contributions	283 114	1 264 878	1 270 104	1 006 428	6 796 756
Voluntary contributions/other transfers and allocations	349	60 205	45 201	67 889	335 693
Investment revenue	136	1 365	2 477	753	8 130
Other revenue	5 111	1 167	511	189	13 928
Total revenues	288 710	1 327 615	1 318 293	1 075 259	7 154 507
Employee salaries, allowances and benefits	42 905	286 277	193 447	189 168	1 389 669
Contingent contracted services	96 890	456 385	439 176	383 798	2 378 977
Other expenses	131 761	495 531	597 926	465 435	3 000 435
Credits to Member States	2 819	33 738	128 795	21 523	338 315
Total expenses	274 375	1 271 931	1 359 344	1 059 924	7 107 396
Surplus/(deficit) for the year	14 335	55 684	(41 051)	15 335	47 111

Statement of financial position as at 30 June 2021: support activities

(Thousands of United States dollars)

	<i>Peacekeeping Reserve Fund</i>	<i>Support account</i>	<i>UNLB</i>	<i>UNLB-strategic deployment stocks</i>	<i>RSCE</i>	<i>Employee benefits funds</i>	<i>Peacekeeping cost-recovery fund</i>	<i>Total</i>
Assets								
Cash and cash equivalents	12 335	2 290	425	7 792	39	2 736	6 316	31 933
Investments	129 043	23 913	4 320	81 520	154	28 614	66 079	333 643
Assessments receivable	–	–	–	–	–	–	–	–
Other receivables	12 820	22	789	1	17	–	25 034	38 683
Inventories	–	329	9 133	7 673	534	–	1 406	19 075
Property, plant and equipment	–	539	25 428	33 556	10 907	–	2 936	73 366
Other assets	–	7 149	54	–	611	–	821	8 635
Total assets	154 198	34 242	40 149	130 542	12 262	31 350	102 592	505 335
Liabilities								
Accounts payable	–	20 962	2 544	2 087	1 083	10	14 826	41 512
Total employee benefits	–	10 066	618	–	766	2 119 244	222	2 130 916
Other liabilities and provisions	–	–	28	–	–	–	5 130	5 158
Total liabilities	–	31 028	3 190	2 087	1 849	2 119 254	20 178	2 177 586
Net of total assets and total liabilities	154 198	3 214	36 959	128 455	10 413	(2 087 904)	82 414	(1 672 251)
Net assets								
Accumulated surplus (deficit) – unrestricted	4 198	3 214	36 959	128 455	10 413	(2 087 904)	82 414	(1 822 251)
Accumulated surplus (deficit) – restricted	–	–	–	–	–	–	–	–
Reserves	150 000	–	–	–	–	–	–	150 000
Total net assets	154 198	3 214	36 959	128 455	10 413	(2 087 904)	82 414	(1 672 251)

Statement of financial performance for the year ended 30 June 2021: support activities

(Thousands of United States dollars)

	<i>Peacekeeping Reserve Fund</i>	<i>Support account</i>	<i>UNLB</i>	<i>UNLB-strategic deployment stocks</i>	<i>RSCE</i>	<i>Employee benefits funds</i>	<i>Peacekeeping cost-recovery fund</i>	<i>Total</i>
Assessed contributions	—	—	—	—	—	—	—	—
Voluntary contributions/other transfers and allocations	—	353 777	64 648	—	36 994	—	—	455 419
Investment revenue	392	537	76	213	44	89	312	1 663
Other revenue	75	38	342	5 951	5	3 242	127 482	137 135
Total revenues	467	354 352	65 066	6 164	37 043	3 331	127 794	594 217
Employee salaries, allowances and benefits	—	266 363	44 512	—	28 857	108 256	8 588	456 576
Contingent contracted services	—	2 738	—	—	—	—	7 618	10 356
Other expenses	3 810	82 216	29 627	9 383	7 677	2 348	92 994	228 055
Credits to Member States	—	—	—	—	—	—	1 187	1 187
Total expenses	3 810	351 317	74 139	9 383	36 534	110 604	110 387	696 174
Surplus/(deficit) for the year	(3 343)	3 035	(9 073)	(3 219)	509	(107 273)	17 407	(101 957)

Statement of financial position as at 30 June 2021: closed missions

(Thousands of United States dollars)

	<i>MINUJUSTH</i>	<i>UNMIL</i>	<i>UNOCI</i>	<i>UNSMIS</i>	<i>UNMIT</i>	<i>UNMIS</i>	<i>MINURCAT</i>
Assets							
Cash and cash equivalents	538	789	2 085	29	233	615	523
Investments	5 625	8 244	21 808	300	2 444	6 430	5 473
Assessments receivable	26 062	—	—	—	—	—	—
Other receivables	29	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—
Property, plant and equipment	—	—	—	—	—	—	—
Other assets	20	16	1	—	—	—	—
Total assets	32 274	9 049	23 894	329	2 677	7 045	5 996

	<i>MINUJUSTH</i>	<i>UNMIL</i>	<i>UNOCI</i>	<i>UNSMIS</i>	<i>UNMIT</i>	<i>UNMIS</i>	<i>MINURCAT</i>
Liabilities							
Accounts payable	7 259	1 432	21 775	164	817	72	3 396
Total employee benefits	193	37	—	—	—	—	—
Other liabilities and provisions	20 440	6 717	2 582	7	—	—	5
Total liabilities	27 892	8 186	24 357	171	817	72	3 401
Net of total assets and total liabilities	4 382	863	(463)	158	1 860	6 973	2 595
Net assets							
Accumulated surplus (deficit) – unrestricted	4 382	863	(463)	158	1 860	6 973	2 595
Accumulated surplus (deficit) – restricted	—	—	—	—	—	—	—
Reserves	—	—	—	—	—	—	—
Total net assets	4 382	863	(463)	158	1 860	6 973	2 595

Statement of financial performance for the year ended 30 June 2021: closed missions

(Thousands of United States dollars)

	<i>MINUJUSTH</i>	<i>UNMIL</i>	<i>UNOCI</i>	<i>UNSMIS</i>	<i>UNMIT</i>	<i>UNMIS</i>	<i>MINURCAT</i>
Assessed contributions	—	—	—	—	—	—	—
Voluntary contributions/other transfers and allocations	—	—	—	—	—	—	—
Investment revenue	18	29	66	1	9	20	16
Other revenue	3	—	8	—	1	3	4
Total revenues	21	29	74	1	10	23	20
Employee salaries, allowances and benefits	3 818	100	37	—	—	—	—
Contingent contracted services	(491)	(592)	65	—	—	—	—
Other expenses	6 073	(2 274)	1 789	—	(425)	(148)	—
Credits to Member States	—	—	(205)	—	—	—	—
Total expenses	9 400	(2 766)	1 686	—	(425)	(148)	—
Surplus/(deficit) for the year	(9 379)	2 795	(1 612)	1	435	171	20

Statement of financial position as at 30 June 2021: closed missions (continued)

(Thousands of United States dollars)

	<i>UNOMIG</i>	<i>UNMEE</i>	<i>ONUB</i>	<i>UNAMSIL/ UNOMSIL</i>	<i>UNMISSET/ UNTAET</i>	<i>UNIKOM</i>	<i>UNMIBH</i>
Assets							
Cash and cash equivalents	48	201	140	154	410	54	485
Investments	496	2 104	1 466	1 612	4 293	568	5 070
Assessments receivable	—	—	—	—	—	—	—
Other receivables	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—
Property, plant and equipment	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—
Total assets	544	2 305	1 606	1 766	4 703	622	5 555
Liabilities							
Accounts payable	9	71	50	17	1 838	1	4 407
Total employee benefits	—	—	—	—	—	—	—
Other liabilities and provisions	—	—	1	1	—	—	—
Total liabilities	9	71	51	18	1 838	1	4 407
Net of total assets and total liabilities	535	2 234	1 555	1 748	2 865	621	1 148
Net assets							
Accumulated surplus (deficit) – unrestricted	535	2 234	1 555	1 748	2 865	621	1 148
Accumulated surplus (deficit) – restricted	—	—	—	—	—	—	—
Reserves	—	—	—	—	—	—	—
Total net assets	535	2 234	1 555	1 748	2 865	621	1 148

Statement of financial performance for the year ended 30 June 2021: closed missions (continued)

(Thousands of United States dollars)

	<i>UNOMIG</i>	<i>UNMEE</i>	<i>ONUB</i>	<i>UNAMSIL/ UNOMSIL</i>	<i>UNMISSET/ UNTAET</i>	<i>UNIKOM</i>	<i>UNMIBH</i>
Assessed contributions	—	—	—	—	—	—	—
Voluntary contributions/other transfers and allocations	—	—	—	—	—	—	—
Investment revenue	2	6	4	5	13	2	15
Other revenues	—	2	1	1	2	—	3
Total revenues	2	8	5	6	15	2	18
Employee salaries, allowances and benefits	—	—	1	—	—	—	—
Contingent contracted services	—	—	—	—	—	—	—
Other expenses	—	—	—	—	—	—	—
Credits to Member States	—	—	—	—	—	—	—
Total expenses	—	—	1	—	—	—	—
Surplus/(deficit) for the year	2	8	4	6	15	2	18

Statement of financial position as at 30 June 2021: closed missions (continued)

(Thousands of United States dollars)

	<i>UNMOT</i>	<i>UNSMIH/ UNTMIH/ MIPONUH</i>	<i>MINURCA</i>	<i>MONUA/ UNAVEM</i>	<i>UNPREDEP</i>	<i>UNTAES</i>	<i>UNOMIL</i>
Assets							
Cash and cash equivalents	11	20	—	1 443	410	496	19
Investments	114	209	7	15 102	4 294	5 187	200
Assessments receivable	—	—	—	—	—	—	—
Other receivables	—	—	—	—	—	—	—
Inventories	—	—	—	—	—	—	—
Property, plant and equipment	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—
Total assets	125	229	7	16 545	4 704	5 683	219

	<i>UNMOT</i>	<i>UNSMIH/ UNTMIH/ MIPONUH</i>	<i>MINURCA</i>	<i>MONUA/ UNAVEM</i>	<i>UNPREDEP</i>	<i>UNTAES</i>	<i>UNOMIL</i>
Liabilities							
Accounts payable	2	114	7 480	5 221	2 590	4 718	26
Total employee benefits	—	—	—	—	—	—	—
Other liabilities and provisions	—	7 367	16 337	—	—	—	—
Total liabilities	2	7 481	23 817	5 221	2 590	4 718	26
Net of total assets and total liabilities	123	(7 252)	(23 810)	11 324	2 114	965	193
Net assets							
Accumulated surplus (deficit) – unrestricted	123	(18 438)	(30 046)	11 324	2 114	965	193
Accumulated surplus (deficit) – restricted	—	11 186	6 236	—	—	—	—
Reserves	—	—	—	—	—	—	—
Total net assets	123	(7 252)	(23 810)	11 324	2 114	965	193

Statement of financial performance for the year ended 30 June 2021: closed missions (continued)

(Thousands of United States dollars)

	<i>UNMOT</i>	<i>UNSMIH/ UNTMIH/ MIPONUH</i>	<i>MINURCA</i>	<i>MONUA/ UNAVEM</i>	<i>UNPREDEP</i>	<i>UNTAES</i>	<i>UNOMIL</i>
Assessed contributions	—	—	—	—	—	—	—
Voluntary contributions/other transfers and allocations	—	—	—	—	—	—	—
Investment revenue	—	1	—	46	13	16	1
Other revenues	—	—	—	8	2	3	—
Total revenues	—	1	—	54	15	19	1
Employee salaries, allowances and benefits	—	—	—	—	—	—	—
Contingent contracted services	—	—	—	—	—	—	—
Other expenses	—	—	—	1	—	—	—
Credits to Member States	—	—	—	—	—	—	—
Total expenses	—	—	—	1	—	—	—
Surplus/(deficit) for the year	—	1	—	53	15	19	1

Statement of financial position as at 30 June 2021: closed missions (continued)

(Thousands of United States dollars)

	<i>UNPF</i>	<i>MINUGUA</i>	<i>UNMIH</i>	<i>UNAMIR/ UNOMUR</i>	<i>ONUSAL</i>	<i>ONUMOZ</i>	<i>UNSOM</i>
Assets							
Cash and cash equivalents	9 221	—	2 214	1 041	37	756	54
Investments	96 467	1	23 156	10 898	387	7 910	569
Assessments receivable	—	—	—	—	—	—	—
Other receivables	442	—	10 566	—	—	—	—
Inventories	—	—	—	—	—	—	—
Property, plant and equipment	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—
Total assets	106 130	1	35 936	11 939	424	8 666	623
Liabilities							
Accounts payable	16 923	—	12 651	208	1	280	15 490
Total employee benefits	—	—	—	—	—	—	—
Other liabilities and provisions	130	124	—	—	—	30	70
Total liabilities	17 053	124	12 651	208	1	310	15 560
Net of total assets and total liabilities	89 077	(123)	23 285	11 731	423	8 356	(14 937)
Net assets							
Accumulated surplus (deficit) – unrestricted	89 077	(141)	23 285	11 731	423	8 356	(52 500)
Accumulated surplus (deficit) – restricted	—	18	—	—	—	—	37 563
Reserves	—	—	—	—	—	—	—
Total net assets	89 077	(123)	23 285	11 731	423	8 356	(14 937)

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Statement of financial performance for the year ended 30 June 2021: closed missions (continued)
(Thousands of United States dollars)

	<i>UNPF</i>	<i>MINUGUA</i>	<i>UNMIH</i>	<i>UNAMIR/ UNOMUR</i>	<i>ONUSAL</i>	<i>ONUMOZ</i>	<i>UNSOM</i>
Assessed contributions	—	—	—	—	—	—	—
Voluntary contributions/other transfers and allocations	—	—	—	—	—	—	—
Investment revenue	281	—	66	33	1	24	2
Other revenues	43	—	13	6	0	5	—
Total revenues	324	—	79	39	1	29	2
Employee salaries, allowances and benefits	—	—	—	—	—	—	—
Contingent contracted services	—	—	—	—	—	—	—
Other expenses	(8 546)	—	1	1	—	1	—
Credits to Member States	—	—	—	—	—	—	—
Total expenses	(8 546)	—	1	1	—	1	—
Surplus/(deficit) for the year	8 870	—	78	38	1	28	2

Statement of financial position as at 30 June 2021: closed missions (concluded)
(Thousands of United States dollars)

	<i>UNMLT</i>	<i>UNTAC</i>	<i>UNTAG</i>	<i>UNIIMOG</i>	<i>UNEF</i>	<i>ONUC</i>	<i>Total</i>
Assets							
Cash and cash equivalents	—	46	44	23	8	86	22 233
Investments	1	483	457	234	80	902	232 591
Assessments receivable	—	—	—	—	—	—	26 062
Other receivables	—	—	—	—	—	—	11 037
Inventories	—	—	—	—	—	—	—
Property, plant and equipment	—	—	—	—	—	—	—
Other assets	—	—	—	—	876	1 973	2 886
Total assets	1	529	501	257	964	2 961	294 809

	<i>UNMLT</i>	<i>UNTAC</i>	<i>UNTAG</i>	<i>UNIIMOG</i>	<i>UNEF</i>	<i>ONUC</i>	<i>Total</i>
Liabilities							
Accounts payable	—	39 907	82	66	18 985	6 754	172 806
Total employee benefits	—	—	—	—	—	—	230
Other liabilities and provisions	—	104	38	—	21 542	39 743	115 238
Total liabilities	—	40 011	120	66	40 527	46 497	288 274
Net of total assets and total liabilities	1	(39 482)	381	191	(39 563)	(43 536)	6 535
Net assets							
Accumulated surplus (deficit) – unrestricted	1	(40 300)	381	191	(39 563)	(43 536)	(49 286)
Accumulated surplus (deficit) – restricted	—	818	—	—	—	—	55 821
Reserves	—	—	—	—	—	—	—
Total net assets	1	(39 482)	381	191	(39 563)	(43 536)	6 535

Statement of financial performance for the year ended 30 June 2021: closed missions (concluded)

(Thousands of United States dollars)

	<i>UNMLT</i>	<i>UNTAC</i>	<i>UNTAG</i>	<i>UNIIMOG</i>	<i>UNEF</i>	<i>ONUC</i>	<i>Total</i>
Assessed contributions	—	—	—	—	—	—	—
Voluntary contributions/other transfers and allocations	—	—	—	—	—	—	—
Investment revenue	—	1	1	1	—	3	696
Other revenue	—	—	1	—	—	—	109
Total revenue	—	1	2	1	—	3	805
Employee salaries, allowances and benefits	—	—	—	—	—	—	3 956
Contingent contracted services	—	—	—	—	—	—	(1 018)
Other expenses	—	86	—	—	1 560	133	(1 748)
Credits to Member States	—	—	—	—	—	—	(205)
Total expenses	—	86	—	—	1 560	133	985
Surplus/(deficit) for the year	—	(85)	2	1	(1 560)	(130)	(180)

Annex II

Budgetary reporting by mission

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Peacekeeping Force in Cyprus

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance</i>
	<i>Original distribution^a</i>	<i>Redeployment</i>	<i>Revised distribution</i>	<i>Actual</i>	<i>Commitments</i>	<i>Total expenditure</i>	
Military and police personnel	21 871	628	22 499	18 671	3 827	22 498	1
Civilian personnel	15 537	919	16 456	16 449	3	16 452	4
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	33	(5)	28	28	—	28	—
Official travel	251	(224)	27	23	1	24	3
Facilities and infrastructure	7 102	(1 020)	6 082	5 356	719	6 075	7
Ground transportation	1 963	28	1 991	1 907	83	1 990	1
Air operations	2 210	(236)	1 974	1 970	4	1 974	—
Marine operations	—	6	6	—	6	6	—
Communications and information technology	1 593	(138)	1 455	1 378	70	1 448	7
Medical	231	271	502	447	55	502	
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	959	(229)	730	603	126	729	1
Quick-impact projects	—	—	—	—	—	—	—
Total operational requirements	14 342	(1 547)	12 795	11 712	1 064	12 776	19
Subtotal	51 750	—	51 750	46 832	4 894	51 726	24
Prorated costs							
UNLB	499	—	499	499	—	499	—
Support account for peacekeeping operations	2 958	—	2 958	2 958	—	2 958	—
RSCE	—	—	—	—	—	—	—
Subtotal prorated costs	3 457	—	3 457	3 457	—	3 457	—
Voluntary contributions in kind (budgeted)	503	—	503	313	—	313	190
Total	55 710	—	55 710	50 602	4 894	55 496	214

^a In accordance with General Assembly resolution [74/285](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Disengagement Observer Force

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	37 187	—	37 187	28 600	7 025	35 625	1 562
Civilian personnel	16 206	—	16 206	14 890	10	14 900	1 306
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	18	—	18	1	—	1	17
Official travel	358	(293)	65	49	—	49	16
Facilities and infrastructure	4 191	381	4 572	3 930	642	4 572	—
Ground transportation	1 495	(419)	1 076	773	286	1 059	17
Air operations	—	9	9	9	—	9	—
Marine operations	50	105	155	155	—	155	—
Communications and information technology	2 064	(283)	1 781	1 236	470	1 706	75
Medical	304	285	589	541	47	588	1
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	1 270	215	1 485	1 385	60	1 445	40
Quick-impact projects	200	—	200	74	99	173	27
Total operational requirements	9 950	—	9 950	8 153	1 604	9 757	193
Subtotal	63 343	—	63 343	51 643	8 639	60 282	3 061
Prorated costs							
UNLB	610	—	610	610	—	610	—
Support account for peacekeeping operations	3 621	—	3 621	3 621	—	3 621	—
RSCE	—	—	—	—	—	—	—
Subtotal prorated costs	4 231	—	4 231	4 231	—	4 231	—
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—
Total	67 574	—	67 574	55 874	8 639	64 513	3 061

^a In accordance with General Assembly resolution [74/291](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Interim Force in Lebanon

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	341 304	(3 615)	337 689	232 688	94 905	327 593	10 096
Civilian personnel	95 653	3 934	99 587	99 510	77	99 587	–
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	59	–	59	23	19	42	17
Official travel	712	(529)	183	153	–	153	30
Facilities and infrastructure	17 670	(105)	17 565	13 197	3 706	16 903	662
Ground transportation	5 645	(126)	5 519	4 710	802	5 512	7
Air operations	7 003	(404)	6 599	5 834	527	6 361	238
Marine operations	114	186	300	168	132	300	–
Communications and information technology	7 739	–	7 739	5 940	1 614	7 554	185
Medical	1 089	661	1 750	1 617	133	1 750	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	3 161	(2)	3 159	1 794	684	2 478	681
Quick-impact projects	500	–	500	386	114	500	–
Total operational requirements	43 692	(319)	43 373	33 822	7 731	41 553	1 820
Subtotal	480 649	–	480 649	366 020	102 713	468 733	11 916
Prorated costs							
UNLB	4 631	–	4 631	4 631	–	4 631	–
Support account for peacekeeping operations	27 474	–	27 474	27 474	–	27 474	–
RSCE	–	–	–	–	–	–	–
Subtotal prorated costs	32 105	–	32 105	32 105	–	32 105	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	512 754	–	512 754	398 125	102 713	500 838	11 916

^a In accordance with General Assembly resolution [74/292](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Mission for the Referendum in Western Sahara

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	7 665	–	7 665	6 967	234	7 201	464
Civilian personnel	21 012	1 048	22 060	21 993	65	22 058	2
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	27	–	27	–	–	–	27
Official travel	660	(193)	467	261	64	325	142
Facilities and infrastructure	4 551	1 759	6 310	3 102	3 208	6 310	–
Ground transportation	2 014	(250)	1 764	689	985	1 674	90
Air operations	13 361	(2 858)	10 503	9 694	249	9 943	560
Marine operations	60	124	184	64	120	184	–
Communications and information technology	2 760	267	3 027	1 878	1 149	3 027	–
Medical	154	9	163	79	84	163	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	5 261	94	5 355	3 779	1 576	5 355	–
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	28 848	(1 048)	27 800	19 546	7 435	26 981	819
Subtotal	57 525	–	57 525	48 506	7 734	56 240	1 285
Prorated costs							
UNLB	554	–	554	554	–	554	–
Support account for peacekeeping operations	3 288	–	3 288	3 288	–	3 288	–
RSCE	373	–	373	373	–	373	–
Subtotal prorated costs	4 215	–	4 215	4 215	–	4 215	–
Voluntary contributions in kind (budgeted)	519	–	519	302	–	302	217
Total	62 259	–	62 259	53 023	7 734	60 757	1 502

^a In accordance with General Assembly resolution [74/294](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Interim Administration Mission in Kosovo

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	730	(119)	611	560	12	572	39
Civilian personnel	30 745	217	30 962	30 871	91	30 962	–
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	36	–	36	25	–	25	11
Official travel	318	(265)	53	31	–	31	22
Facilities and infrastructure	2 851	338	3 189	2 621	568	3 189	–
Ground transportation	157	–	157	118	–	118	39
Air operations	–	–	–	–	–	–	–
Marine operations	–	–	–	–	–	–	–
Communications and information technology	2 141	2	2 143	1 989	154	2 143	–
Medical	62	56	118	114	4	118	–
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	2 787	(229)	2 558	2 414	111	2 525	33
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	8 352	(98)	8 254	7 312	837	8 149	105
Subtotal	39 827	–	39 827	38 743	940	39 683	144
Prorated costs							
UNLB	384	–	384	384	–	384	–
Support account for peacekeeping operations	2 277	–	2 277	2 277	–	2 277	–
RSCE	–	–	–	–	–	–	–
Subtotal prorated costs	2 661	–	2 661	2 661	–	2 661	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	42 488	–	42 488	41 404	940	42 344	144

^a In accordance with General Assembly resolution [74/288](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	526 079	—	526 079	378 527	94 394	472 921	53 158
Civilian personnel	258 007	—	258 007	257 323	259	257 582	425
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	709	—	709	155	32	187	522
Official travel	5 445	1 376	6 821	5 753	1 068	6 821	—
Facilities and infrastructure	58 249	(329)	57 920	37 586	12 034	49 620	8 300
Ground transportation	13 657	4 639	18 296	8 808	9 488	18 296	—
Air operations	125 650	(12 020)	113 630	99 126	7 479	106 605	7 025
Marine operations	345	543	888	332	556	888	—
Communications and information technology	38 169	4 476	42 645	26 937	15 698	42 635	10
Medical	1 558	1 315	2 873	2 170	703	2 873	—
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	45 971	—	45 971	28 587	13 626	42 213	3 758
Quick-impact projects	1 500	—	1 500	1 188	293	1 481	19
Total operational requirements	291 253	—	291 253	210 642	60 977	271 619	19 634
Subtotal	1 075 339	—	1 075 339	846 492	155 630	1 002 122	73 217
Prorated costs							
UNLB	10 361	—	10 361	10 361	—	10 361	—
Support account for peacekeeping operations	61 468	—	61 468	61 468	—	61 468	—
RSCE	6 973	—	6 973	6 973	—	6 973	—
Subtotal prorated costs	78 802	—	78 802	78 802	—	78 802	—
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—
Total	1 154 141	—	1 154 141	925 294	155 630	1 080 924	73 217

^a In accordance with General Assembly resolution [74/286](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

African Union-United Nations Hybrid Operation in Darfur

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	198 787	—	198 787	158 864	39 818	198 682	105
Civilian personnel	197 791	—	197 791	185 943	9 513	195 456	2 335
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	121	29	150	149	1	150	—
Official travel	1 648	(82)	1 566	1 238	221	1 459	107
Facilities and infrastructure	16 733	(727)	16 006	12 333	3 436	15 769	237
Ground transportation	1 625	(19)	1 606	1 452	66	1 518	88
Air operations	25 805	1 179	26 984	26 266	718	26 984	—
Marine operations	19	—	19	14	5	19	—
Communications and information technology	10 333	—	10 333	8 650	499	9 149	1 184
Medical	1 769	(380)	1 389	1 260	83	1 343	46
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	30 056	—	30 056	13 715	13 098	26 813	3 243
Quick-impact projects	—	—	—	—	—	—	—
Total operational requirements	88 109	—	88 109	65 077	18 127	83 204	4 905
Subtotal	484 687	—	484 687	409 884	67 458	477 342	7 345
Prorated costs							
UNLB	2 314	—	2 314	2 314	—	2 314	—
Support account for peacekeeping operations	13 729	—	13 729	13 729	—	13 729	—
RSCE	1 558	—	1 558	1 558	—	1 558	—
Subtotal prorated costs	17 601	—	17 601	17 601	—	17 601	—
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—
Total	502 288	—	502 288	427 485	67 458	494 943	7 345

^a In accordance with General Assembly resolutions [74/261 C](#), [75/251 A](#) and [75/251 B](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Support Office in Somalia

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	136 659	14 495	151 154	123 764	27 390	151 154	–
Civilian personnel	86 364	–	86 364	85 078	236	85 314	1 050
Operational requirements							
Civilian electoral observers	–	–	–	–	–	–	–
Consultants and consulting services	1 163	–	1 163	152	–	152	1 011
Official travel	1 795	–	1 795	864	146	1 010	785
Facilities and infrastructure	93 915	830	94 745	73 610	21 135	94 745	–
Ground transportation	18 817	–	18 817	9 840	3 853	13 693	5 124
Air operations	81 568	(16 956)	64 612	58 324	816	59 140	5 472
Marine operations	190	1 631	1 821	678	1 143	1 821	–
Communications and information technology	41 413	–	41 413	33 075	7 850	40 925	488
Medical	16 674	–	16 674	12 236	906	13 142	3 532
Special equipment	–	–	–	–	–	–	–
Other supplies, services and equipment	72 050	–	72 050	58 355	6 164	64 519	7 531
Quick-impact projects	–	–	–	–	–	–	–
Total operational requirements	327 585	(14 495)	313 090	247 134	42 013	289 147	23 943
Subtotal	550 608	–	550 608	455 976	69 639	525 615	24 993
Prorated costs							
UNLB	5 305	–	5 305	5 305	–	5 305	–
Support account for peacekeeping operations	31 473	–	31 473	31 473	–	31 473	–
RSCE	3 571	–	3 571	3 571	–	3 571	–
Subtotal prorated costs	40 349	–	40 349	40 349	–	40 349	–
Voluntary contributions in kind (budgeted)	–	–	–	–	–	–	–
Total	590 957	–	590 957	496 325	69 639	565 964	24 993

^a In accordance with General Assembly resolution 74/295.

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Interim Security Force for Abyei

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	131 539	(11 846)	119 693	100 325	19 302	119 627	66
Civilian personnel	45 205	—	45 205	44 950	46	44 996	209
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	384	703	1 087	1 081	6	1 087	—
Official travel	840	(448)	392	347	45	392	—
Facilities and infrastructure	34 561	9 673	44 234	21 393	22 841	44 234	—
Ground transportation	1 959	2 592	4 551	1 771	2 780	4 551	—
Air operations	20 970	(5 372)	15 598	15 225	159	15 384	214
Marine operations	—	2 047	2 047	28	2 019	2 047	—
Communications and information technology	9 238	3 544	12 782	8 883	3 899	12 782	—
Medical	342	266	608	512	96	608	—
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	18 246	(1 159)	17 087	11 624	5 356	16 980	107
Quick-impact projects	500	—	500	400	100	500	—
Total operational requirements	87 040	11 846	98 886	61 264	37 301	98 565	321
Subtotal	263 784	—	263 784	206 539	56 649	263 188	596
Prorated costs							
UNLB	2 542	—	2 542	2 542	—	2 542	—
Support account for peacekeeping operations	15 078	—	15 078	15 078	—	15 078	—
RSCE	1 711	—	1 711	1 711	—	1 711	—
Subtotal prorated costs	19 331	—	19 331	19 331	—	19 331	—
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—
Total	283 115	—	283 115	225 870	56 649	282 519	596

^a In accordance with General Assembly resolution [74/283](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Mission in South Sudan

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	538 695	—	538 695	422 684	114 601	537 285	1 410
Civilian personnel	313 777	—	313 777	309 945	2 478	312 423	1 354
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	834	—	834	313	200	513	321
Official travel	3 728	(264)	3 464	1 323	150	1 473	1 991
Facilities and infrastructure	104 140	13 206	117 346	62 521	54 825	117 346	—
Ground transportation	12 217	(528)	11 689	8 785	2 834	11 619	70
Air operations	115 892	(25 248)	90 644	87 082	2 120	89 202	1 442
Marine operations	1 087	2 863	3 950	745	3 205	3 950	—
Communications and information technology	29 249	5 352	34 601	23 920	10 660	34 580	21
Medical	1 740	858	2 598	2 362	233	2 595	3
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	55 156	3 761	58 917	41 133	17 784	58 917	—
Quick-impact projects	2 000	—	2 000	1 637	361	1 998	2
Total operational requirements	326 043	—	326 043	229 821	92 372	322 193	3 850
Subtotal	1 178 515	—	1 178 515	962 450	209 451	1 171 901	6 614
Prorated costs							
UNLB	11 356	—	11 356	11 356	—	11 356	—
Support account for peacekeeping operations	67 365	—	67 365	67 365	—	67 365	—
RSCE	7 642	—	7 642	7 642	—	7 642	—
Subtotal prorated costs	86 363	—	86 363	86 363	—	86 363	—
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—
Total	1 264 878	—	1 264 878	1 048 813	209 451	1 258 264	6 614

^a In accordance with General Assembly resolution [74/293](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Multidimensional Integrated Stabilization Mission in Mali

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	493 923	(3 287)	490 636	379 669	110 967	490 636	—
Civilian personnel	196 655	9 444	206 099	205 621	478	206 099	—
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	526	—	526	347	12	359	167
Official travel	4 721	—	4 721	1 824	153	1 977	2 744
Facilities and infrastructure	137 960	(3 375)	134 585	55 156	42 356	97 512	37 073
Ground transportation	18 463	—	18 463	10 146	6 125	16 271	2 192
Air operations	160 209	(18 850)	141 359	100 562	12 195	112 757	28 602
Marine operations	1 840	—	1 840	481	374	855	985
Communications and information technology	63 713	15 089	78 802	56 751	22 051	78 802	—
Medical	8 671	979	9 650	8 129	1 521	9 650	—
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	91 904	—	91 904	73 223	10 447	83 670	8 234
Quick-impact projects	4 800	—	4 800	3 972	799	4 771	29
Total operational requirements	492 807	(6 157)	486 650	310 591	96 033	406 624	80 026
Subtotal	1 183 385	—	1 183 385	895 881	207 478	1 103 359	80 026
Prorated costs							
UNLB	11 402	—	11 402	11 402	—	11 402	—
Support account for peacekeeping operations	67 643	—	67 643	67 643	—	67 643	—
RSCE	7 674	—	7 674	7 674	—	7 674	—
Subtotal prorated costs	86 719	—	86 719	86 719	—	86 719	—
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—
Total	1 270 104	—	1 270 104	982 600	207 478	1 190 078	80 026

^a In accordance with General Assembly resolution [74/290](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	479 285	(10 257)	469 028	371 870	95 809	467 679	1 349
Civilian personnel	214 387	(5 161)	209 226	207 836	1 389	209 225	1
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	1 076	(136)	940	810	130	940	—
Official travel	3 746	(1 493)	2 253	1 945	298	2 243	10
Facilities and infrastructure	68 254	26 698	94 952	54 651	40 301	94 952	—
Ground transportation	16 416	267	16 683	12 964	3 719	16 683	—
Air operations	64 947	(19 704)	45 243	39 720	5 489	45 209	34
Marine operations	500	2 874	3 374	285	3 089	3 374	—
Communications and information technology	45 555	(3 037)	42 518	31 535	10 983	42 518	—
Medical	1 804	1 508	3 312	2 217	1 095	3 312	—
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	38 742	8 506	47 248	24 864	22 384	47 248	—
Quick-impact projects	3 000	(65)	2 935	1 696	1 239	2 935	—
Total operational requirements	244 040	15 418	259 458	170 687	88 727	259 414	44
Subtotal	937 712	—	937 712	750 393	185 925	936 318	1 394
Prorated costs							
UNLB	9 035	—	9 035	9 035	—	9 035	—
Support account for peacekeeping operations	53 601	—	53 601	53 601	—	53 601	—
RSCE	6 081	—	6 081	6 081	—	6 081	—
Subtotal prorated costs	68 717	—	68 717	68 717	—	68 717	—
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—
Total	1 006 429	—	1 006 429	819 110	185 925	1 005 035	1 394

^a In accordance with General Assembly resolution [74/284](#).

21-18714 **Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021**

Support account for peacekeeping operations

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance</i>
	<i>Original distribution^a</i>	<i>Redeployment</i>	<i>Revised distribution</i>	<i>Actual</i>	<i>Commitments</i>	<i>Total expenditure</i>	
Military and police personnel	3 882	(1 111)	2 771	—	2 738	2 738	33
Civilian personnel	254 797	1 014	255 811	251 696	4 002	255 698	113
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	2 323	305	2 628	1 449	1 179	2 628	—
Official travel	7 857	(6 326)	1 531	1 306	177	1 483	48
Facilities and infrastructure	23 255	84	23 339	22 752	586	23 338	1
Ground transportation	72	(15)	57	55	2	57	—
Air operations	—	—	—	—	—	—	—
Marine operations	—	—	—	—	—	—	—
Communications and information technology	35 735	2 338	38 073	27 135	10 938	38 073	—
Medical	88	11	99	70	29	99	—
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	27 685	3 700	31 385	30 721	658	31 379	6
Quick-impact projects	—	—	—	—	—	—	—
Total operational requirements	97 015	97	97 112	83 488	13 569	97 057	55
Total	355 694	—	355 694	335 184	20 309	355 493	201

^a In accordance with General Assembly resolution [74/280](#).

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

United Nations Logistics Base at Brindisi, Italy

(Thousands of United States dollars)

	Appropriation			Expenditure			Balance
	Original distribution ^a	Redeployment	Revised distribution	Actual	Commitments	Total expenditure	
Military and police personnel	—	—	—	—	—	—	—
Civilian personnel	41 287	3 134	44 421	44 400	21	44 421	—
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	171	(48)	123	44	78	122	1
Official travel	488	(383)	105	91	14	105	—
Facilities and infrastructure	5 807	(402)	5 405	4 535	870	5 405	—
Ground transportation	384	(73)	311	308	1	309	2
Air operations	6	(2)	4	4	—	4	—
Marine operations	—	—	—	—	—	—	—
Communications and information technology	12 831	(2 007)	10 824	9 809	1 015	10 824	—
Medical	81	(15)	66	47	18	65	1
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	1 003	(204)	799	693	105	798	1
Quick-impact projects	—	—	—	—	—	—	—
Total operational requirements	20 771	(3 134)	17 637	15 531	2 101	17 632	5
Subtotal	62 058	—	62 058	59 931	2 122	62 053	5
Strategic deployment stock activities – replenishment of strategic deployment stocks arising from transfers to peacekeeping and political missions and other entities	92 291	—	92 291	16 158	12 451	28 609	63 682
Total	154 349	—	154 349	76 089	14 573	90 662	63 687

^a In accordance with General Assembly resolution [74/282](#).

21-18714(E) 140322

Mission comparison of budget and actual amounts on a budget basis from 1 July 2020 to 30 June 2021

Regional Service Centre in Entebbe, Uganda

(Thousands of United States dollars)

	<i>Appropriation</i>			<i>Expenditure</i>			<i>Balance</i>
	<i>Original distribution^a</i>	<i>Redeployment</i>	<i>Revised distribution</i>	<i>Actual</i>	<i>Commitments</i>	<i>Total expenditure</i>	
Military and police personnel	—	—	—	—	—	—	—
Civilian personnel	29 983	—	29 983	29 627	125	29 752	231
Operational requirements							
Civilian electoral observers	—	—	—	—	—	—	—
Consultants and consulting services	132	(6)	126	—	—	—	126
Official travel	216	(77)	139	25	—	25	114
Facilities and infrastructure	2 310	103	2 413	2 266	147	2 413	—
Ground transportation	87	51	138	106	32	138	—
Air operations	—	—	—	—	—	—	—
Marine operations	—	—	—	—	—	—	—
Communications and information technology	3 942	(47)	3 895	3 211	386	3 597	298
Medical	103	—	103	17	70	87	16
Special equipment	—	—	—	—	—	—	—
Other supplies, services and equipment	386	(24)	362	232	41	273	89
Quick-impact projects	—	—	—	—	—	—	—
Total operational requirements	7 176	—	7 176	5 857	676	6 533	643
Total	37 159	—	37 159	35 484	801	36 285	874

^a In accordance with General Assembly resolution [74/281](#).