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UNITED NATIONS



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Agenda Item 146

**Administrative and budgetary aspects of financing of the United Nations peacekeeping operations
Overview of the financing of the United Nations peacekeeping operations
Proposed budgetary levels for peacekeeping operations for the period from 1 July 2012 to 30 June 2013**

FIFTH COMMITTEE

Statement by

**Ms. María Eugenia Casar
Assistant Secretary-General, Controller**

9 May 2012

Mr. Chairman,
Excellencies,
Distinguished Delegates,

I have the honour to introduce the Secretary-General's overview report on the financing of the United Nations peacekeeping operations, contained in document A/66/679, under agenda item 146, and the Secretary-General's note on the proposed budgetary levels for peacekeeping operations for the period from 1 July 2012 to 30 June 2013 (A/C.5/66/15).

You will find in the report the management initiatives proposed by the Department of Peacekeeping Operations and the Department of Field Support, as well as the budget performance for 2010/11, the budget proposals for 2012/13, status of the

Peacekeeping Reserve Fund, and management of contingent-owned equipment and liabilities to troop – and police – contributing countries.

The gross budget level for peacekeeping operations for 2012/13 is currently estimated at \$7.4 billion, representing a reduction of \$433.4 million, or 5.5 percent, compared to the approved budget levels for the 2011/12 period. The reduction is due in part to the fact that some missions, such as MINUSTAH, UNMIL, UNMIT and UNOCI are expected to have a reduced level of activity, and to management initiatives with a view to realize efficiency gains and reductions in resources requirements. The principal reasons for the reduced requirements for each mission are presented in table 14 of the report.

With regard to the increased requirements proposed for the newly established missions, the increase in UNMISS is mainly due to the fact that the 2012/13 proposed budget is based on detailed costs and actual experience whereas the 2011/12 budget was based on the use of the standardized funding model, and the increase in UNISFA is mainly due to the application of a reduced delayed deployment factor for the full authorized military strength and to requirements for the additional mandated tasks of joint border monitoring mechanism.

With regard to the financial resources to support the peacekeeping missions, which comprise the resources for the support account for peacekeeping operations and UNLB, including the support account share of the requirements for enterprise resource planning, they are estimated at \$390.9 million for 2012/13 compared to \$413.3 million for 2011/12, representing a reduction of \$22.4 million or 5.4 percent.

A reduction in the overall civilian staffing level of 855 posts and positions is also considered, whereas the number of uniformed personnel, based on the current peacekeeping mandates approved by the Security Council, is projected to be approximately 127,500 personnel, including AMISOM troops.

With regard to budget performance for 2010/11, the total approved budget for 2010/11 amounted to \$7.94 billion, inclusive of UNLB and the support account, and the actual expenditures amounted to \$7.58 billion, resulting in an overall unspent balance of approximately \$360 million, representing an overall budget implementation rate of 95.5 per cent.

Of the \$360 million unspent balance, nearly \$225 million related to UNAMID. This was mainly due to the fact that contingent-owned major equipment was not deployed as planned, as well as a decrease in the ceiling-man-rate for fresh rations,

lower expenditures for international staff costs, and lower level of aviation activities.

Mr Chairman,

As the Secretariat continually strives to refine its cost estimates, for the preparation of the proposed budgets for 2012/13, careful attention was paid in particular to the determination of the vacancy factors and delayed deployment factors applied to the cost estimates of military, police and civilian personnel, and to air transportation requirements. Also, the determination of international staff costs was further refined, as explained in Section IV of the report.

With regard to budget presentation, a pilot streamlined report on the budget of UNMISS for 2012/13 will be presented to this Committee for its consideration during this session. You will also notice that the format of the present overview report has been changed to allow for a better flow of the information, and we envisage further improvements for the next overview report, in particular in presenting more focused explanations for significant variances.

Finally, as requested by the General Assembly in its resolution 64/269 and 65/289, information is provided in Section IV of the report on the impact of exchange rate fluctuations on peacekeeping budgets, highlighting that approximately 10 percent of the peacekeeping operations expenditures were in currencies other than the US dollar in 2009/10 and 2010/11.

Given the limited exposure of peacekeeping expenditure to currency fluctuations, it seems unnecessary to take measures to protect peacekeeping operations against the risk of currency exchange rates at this time.

However, for UNFICYP, UNMIK and UNLB, where disbursements in Euro represent more than 50 per cent of their total expenditures, the Treasurer has been requested to study the possibility of protecting the missions against the risk of currency fluctuation.

Mr Chairman,

Distinguished Delegates,

I look forward to the discussions on this item.

Thank you.