

INDIA

India Issue Paper # 02

LOSS OF REIMBURSEMENT TO THE MEMBER STATES DUE TO DELAY IN INDUCTION OF CONTINGENT OWNED EQUIPMENT

1. ISSUE PAPER THEME

Major Equipment and Self Sustenance

2. SUMMARY / BACKGROUND / PREVIOUS HISTORY

There are instances where Member States face loss of reimbursement due to a delay in the deployment of Contingent owned equipment (COE) for the TCCs deployed under the United Nations peacekeeping mission. The delay is attributable to the closure of shipping routes, ports and transshipment points emerging out of conflict. These events severely disrupt the planned shipment and induction of equipment, leading to significant financial implications. These items are deemed essential for a peacekeeping force's logistical operations, including transportation, medical supplies, communication systems, and other resources. This delay in COE deployment has a significant operational and financial consequence, particularly in terms of lost reimbursements from the United Nations, which are crucial for the financial sustainability of peacekeeping missions.

3. DETAILED PROPOSAL

- (a) **Induction and Shipment of Equipment.** The significant delay in equipment deployment disrupts the contingent's operational capabilities and leads to prolonged use of minimal equipment without compromising overall effectiveness of the peacekeepers in their mission.
- (b) **COE Reimbursement Scheme.** The United Nations, under its Contingent-Owned Equipment (COE) Reimbursement Scheme, compensates contributing countries for the equipment and resources they deploy to peacekeeping missions. The COE is reimbursed based on the period, it is operational and available in the mission area. Due to the delay of COE induction, contingents face a direct loss in reimbursement for several months, during which the equipment is not available for use in the mission. The UN's reimbursement policy is clear wherein reimbursements are calculated based on the equipment being fully operational and deployed in the mission area. Because of the certain delay in the delivery of the equipment, contingents are likely to miss out on potential reimbursement payments that were due for the period the equipment would have been in use had it been deployed on time.
- (c) **Operational Impact of COE Delay.** The absence of the COE will also lead to over exploitation of the limited resources of COE which could result in: -
 - (i) Increased Wear and Tear of Contingent Owned Equipment. With the frequent use of limited resources of COE under high stress conditions, they experience degradation. This further would further lead to reduced equipment lifespan.
 - (ii) Increased Pressure on Personnel. The lack of proper equipment leads to overexertion of personnel, potentially affecting their safety and increasing stress.

4. FINANCIAL IMPLICATIONS

The financial implications of the delay in COE deployment are significant and multifaceted. Key areas impacted include the following: -

- (a) **Loss of COE Reimbursement.** The United Nations' COE reimbursement scheme provides a daily rate for each item of equipment deployed in the mission area. Since the COE is not deployed during the planned period, Member states lose the opportunity to receive: -
- (i) **Daily Reimbursement.** Each piece of COE that was delayed in reaching the mission area means a loss in daily reimbursement payments, which a contingent would otherwise have been entitled to.
- (ii) **Full Reimbursement for the Induction Period.** The UN reimburses based on the time the equipment is available for use in the mission area. The delay means that a contingent may miss out on an entire year of COE reimbursement, directly impacting the overall financial return from the UN mission.
- (b) **Financial Consequences.** The financial losses incurred from this delay exerts budgetary strain on the member states. Future UN deployments may require reassessments of how logistical delays or geopolitical disruptions are accounted for in financial projections and reimbursements. Persistent delays and financial losses in peacekeeping missions could affect member states standing and negotiations with the United Nations in future mission commitments.

5. PROPOSED 2026 COE MANUAL TEXT

In response to the challenges and financial implications arising from delays in the deployment of COE due to reasons beyond the control of Troop Contributing Countries (TCCs), such as geopolitical disruptions, the following proposed amendments aim to clarify the handling of such delays in the COE Manual. These changes will provide a fairer and more transparent framework for TCCs to manage such situations, ensuring that delays not caused by the TCCs are appropriately considered in the reimbursement and operational processes.

Chapter 1- Introduction, p. 4.

Para 5.

- (a) **Current Text.** This system focuses on managing rather than accounting of COE. It is performance driven, provides for transparency of deployment, as well as accountability and enables Member states to appreciate their commitment to peacekeeping at the outset, thus leading to simplified budgeting and re-imbursement.
- (b) **Proposed Change.** "This system focuses on managing rather than accounting of COE. **This manual governs the deployment and operational use of COE for peacekeeping missions. It includes provisions for managing delays caused by factors beyond the control of the TCC, ensuring that such delays do not adversely affect the TCC's reimbursement and operational assessments.**"

Chapter 2 - Standard elements of the contingent owned equipment system and lease options, p.7.

Para V.10 – Reimbursement

- (a) **Current Text.** Troops/ police contributors are reimbursed for Major Equipment and Self Sustenance in accordance with rates adopted by the General Assembly.
- (b) **Proposed Change.** Troops/ police contributors are reimbursed for Major Equipment and Self Sustenance in accordance with rates adopted by the General Assembly **and the reimbursement for COE is calculated based on the period the equipment is operational in the mission area. In cases where deployment is delayed due to factors beyond the TCC's control (e.g., geopolitical disruptions, civil unrest, or natural disasters), the TCC will be reimbursed for the equipment from the original planned deployment date, subject.**

Chapter 3 – Standard Verification and Control of Contingent Owned Equipment for Major Equipment and Self Sustenance, p. 28.

Para VII - Dispute Resolution

- (a) Present Text. After other possibilities have been tried, disputes concerning the interpretation of the results of verification inspections that may affect the eligibility for reimbursement of a troop / police contributor, or for any other reason, and other types of dispute shall be conducted using the dispute procedure approved by the GA.
- (b) Proposed Change. After other possibilities have been tried, disputes concerning the interpretation of the results of verification inspections that may affect the eligibility for reimbursement of a troop / police contributor, or **over COE reimbursement or deployment, particularly related to delays caused by factors beyond the TCC's control, the TCC may escalate the issue to the UN's Peacekeeping Resource Management Division (PRMD). The PRMD will review the case, taking into account the nature and documentation of the delay. An independent assessment may be conducted if necessary, and a resolution will be provided to ensure that the TCC is not unfairly penalized. Reimbursement deduction should be carried out post the independent assessment and duly addressing the points raised by the contingent & the TCC.**

Chapter 4 – Preparation, Deployment, Repatriation and Transportation of COE, p. 142.

Para IV - Deployment and Repatriation of Equipment

- (a) Current text. The United Nations is responsible for the deployment and repatriation of COE and Minor equipment including spare parts and consumables as noted in the MOU or as outlined in the guidelines for troop contributing countries.
- (b) Proposed Change. The United Nations is responsible for the deployment and repatriation of COE and Minor equipment including spare parts and consumables as noted in the MOU or as outlined in the guidelines for troop contributing countries. **Any delay in the deployment of COE must be reported to the mission headquarters, the UN Department of Peace Operations (DPO), and the UNCOE focal point. The TCC must provide full documentation of the cause of delay, including evidence of external factors such as port closures, conflict, or transport disruptions. The UN will review these reports on a case-by case basis and may waive penalties or reimbursement reductions for delays caused by circumstances beyond the TCC's control."**