NEPAL

Nepal Issue Paper # 03

PROPOSAL TO INCREASE THE MAINTENANCE REIMBURSEMENT STRUCTURE FOR MAJOR EQUIPMENT UNDER THE RAPID DEPLOYMENT LEVEL (RDL)

1. ISSUE PAPER THEME

Major Equipment

2. SUMMARY / BACKGROUND / PREVIOUS HISTORY

The UN COE Manual (Chapter 8) currently provides a flat 25% maintenance reimbursement rate for Major Equipment held under the Rapid Deployment Level (RDL) system. This rate is based on the assumption that RDL equipment is in standby mode and subject to limited wear and maintenance costs.

To meet the operational requirement of deployment within 60 days, Troop-Contributing Countries (TCCs) must maintain RDL-assigned equipment in full readiness at all times. This involves ongoing costs for preventive maintenance, scheduled maintenance, regular functionality checks, and proper storage. Once equipment is painted in UN white and marked accordingly, it cannot be used for national purposes; neither can it be registered in Nepal. In most UN missions, Left-Hand Drive (LHD) vehicles are required due to traffic regulations, so equipment is prepared accordingly. However, T/PCC like Nepal follows Right-Hand Drive (RHD) traffic rules, where vehicles are driven on the left side of the road, and national law prohibits the registration and use of LHD vehicles. As a result, such equipment cannot be utilized domestically and remains unused, yet it still requires continuous maintenance over several years while kept in RDL readiness.

The current 25% maintenance reimbursement rate does not reflect these long-term costs, national constraints, or loss of usability, placing a heavy financial burden on TCCs. A revised reimbursement model is therefore needed to ensure fairness, sustainability, and to maintain strong participation in the RDL system.

3. DETAILED PROPOSAL

The current 25% flat maintenance rate does not reflect the real-world maintenance requirements. For example:

- **Sustained Readiness**: Equipment in RDL status requires periodic road tests, functional checks, and preventive maintenance to remain fully deployable.

- **Prolonged Standby Duration**: RDL due to the rotational nature of peacekeeping missions and the need for strategic reserves, RDL equipment may remain in standby status for multiple fiscal years. During this time, maintenance costs accumulate steadily, imposing an increasing financial burden on T/PCCs due to major repairs associated with time.

- **Loss of Domestic Utility – Example of Nepal**: Nepal, as a TCC, maintains a fleet of Left-Hand Drive (LHD) vehicles specifically to meet UN operational standards, since most missions follow LHD traffic rules. However, Nepal adheres to Right-Hand Drive (RHD) traffic regulations, and national law prohibits the registration or use of LHD vehicles domestically. In addition, once these vehicles are painted in UN white and marked accordingly, they cannot use for national purposes—even temporarily—resulting in a complete loss of utility and opportunity for the TCC.

- **Storage and Infrastructure Costs**: To preserve operational integrity, RDL-designated equipment must be stored in secure and protected facilities. These infrastructure requirements—such as covered shelters, regular inspection access, and climate protection—generate substantial costs that are not reflected in the current reimbursement model.

- **Shelf Life**: Inability for use in national purposes and prolonged standby duty for RDL will eventually reduce the shelf life of the equipment to be deployed and have depreciation factor triggering the heavy financial burden on TCCs.

To ensure fairness and operational sustainability, it is essential to increase the maintenance reimbursement rate for Major Equipment under the Rapid Deployment Level (RDL) from the current 25% to a baseline of 50%. This adjustment reflects the real costs of sustained readiness, prolonged standby, reduced the shelf life of the equipment and loss of domestic utility. A revised structure will better support T/PCCs in maintaining high operational standards while ensuring continued commitment to UN peacekeeping readiness.

4. FINANCIAL IMPLICATIONS

Increasing the maintenance reimbursement rate from 25% to 50% will lead to a moderate rise in UN expenditure. This adjustment more accurately reflects the actual costs incurred by T/PCCs to keep RDL equipment ready for deployment. It promotes fairness and sustainability while supporting continued T/PCC participation in the RDL system.

5. PROPOSED 2026 COE MANUAL TEXT

Chapter 8, Section II, para 13, p. 180.

Current text (line 2 of 8.13):
"…Should be paid 25 per cent of the maintenance component rates for major equipment during the period those units are pledged to the system,…"

Proposed revision:
"…**Should be paid 50 per cent of the maintenance component rates for major equipment during the period those units are pledged to the system**,…"