SECRETARIAT

REDUCED REIMBURSEMENT OF GENERATORS WHEN THE MAIN POWER IS PROVIDED THROUGH AN ALTERNATE SOURCE OR ARRANGED BY THE UN

Secretariat Issue Paper # 16

1. ISSUE PAPER THEME: Major Equipment

2. SUMMARY / BACKGROUND / PREVIOUS HISTORY

Troop and Police Contributing Countries (TPCCs) are requested to deploy generators during their initial deployment to provide power for their contingents, either because the mission is still at its initial phase, or the uniformed unit is deployed to a location where the infrastructure is not ready yet. Over the years, and following infrastructure upgrades, the field missions have been able to optimize power generation to enhance efficiency, sustainability, and cost-effectiveness. This includes connecting UN sites and contingents to local power and the UNOE grids where feasible, creating more scalable power solutions and reducing fuel consumption. Power Purchase Agreements (PPAs) with local providers, which include clean energy (renewable) options, are also being pursued to secure stable, sustainable, and cost-effective energy supplies. As a result, some Contingent-Owned Equipment (COE) generators are now operating as secondary or backup power sources rather than primary energy providers. Their utilization has either ceased or significantly decreased, with limited usage during power outages or exceptionally and temporarily during relocations, leading to lower maintenance cost, less wear and tear and depreciation of the COE generators.

Currently, there are several cases where Missions are incurring a duplicated cost that includes cost associated with providing power and cost of reimbursing COE generators.

3. DETAILED PROPOSAL

In light of the above and to address cases where missions incur duplicate costs, covering both power provision and COE generator reimbursement, it is proposed to reduce COE generator reimbursement to 50 % of the applicable rate when electrical power is provided or arranged by the UN. This adjustment aims to enhance cost efficiency while ensuring the availability of backup power solutions.

Under the current COE policy, this reimbursement reduction is stipulated only for ISO 8528 generators which have four ratings for generators: continuous power, prime power, limited-time running and emergency standby power. limited-time running generators are reimbursed 50 or 30 percent of the applicable rate. This proposal extends the application to generators other than ISO 8528 generators.

4. FINANCIAL IMPLICATIONS

Based on the data collected from field missions, during the **first quarter of 2025, 401 major equipment generators were used as secondary or backup power source in locations where electrical power is**

provided or arranged by the United Nations. This corresponds to an average estimated reimbursement of USD 339,647.00. The reduction of reimbursement of these generators to 50 percent will result in an estimated annual reduction of **USD 169,823.50.**

The estimate does not include multipliers such as mission factors and incremental transportation factor which are specific to missions and Troop and Police Contributing Countries (incremental transportation factor).

5. PROPOSED 2026 COE MANUAL TEXT

Add a new paragraph 13 to Chapter 3, Annex A, page 32/281 of the COE Manual, add the text in bold and revise the subsequent para numbering accordingly.

Electrical equipment

13. Major equipment generators, other than ISO 8528 generators, operating as secondary or backup power sources rather than primary, in locations where electrical power is provided through an alternate source or arranged by the United Nations, will be reimbursed at 50 percent of the applicable rate.

In the COE Manual, Chapter 8, Annex A, page 190/281, add a new superscript after Electrical equipment[w]. Revise and align the subsequent alphabetical order of the superscripts.

Reimbursement rates for major equipment under a wet lease or dry lease arrangement

Chapter 8, annex A

Category of equipment	*Type of equipment*	*Generic fair market value*	*Estimated useful life in years*	*Maintenance rate*	*Monthly dry lease rate*	*Monthly wet lease rate*	*No-fault incident factor (percentage)*	*Monthly non-United Nations POL*	*Painting rate*	*Repainting rate*
Electrical equipment[w]										
Generators, stationary and mobile										
20–30 kVA		**43 003**	12	144	317	**461**	0.5	309	**221**	**324**
31–40 kVA		**45 544**	12	187	335	**522**	0.5	432	**221**	**324**
41–50 kVA		**60 084**	12	189	442	**631**	0.5	555	**221**	**324**
51–75 kVA		**72 965**	12	202	537	**739**	0.5	771	**221**	**324**
76–100 kVA		**77 648**	12	224	572	**795**	0.5	1 080	**334**	**352**
101–150 kVA		**88 859**	12	296	632	**928**	0.2	1 543	**334**	**352**
151–200 kVA		**116 506**	15	448	667	**1 115**	0.2	2 160	**334**	**352**
201–500 kVA		**167 360**	14	560	1 024	**1 584**	0.2	3 086	**362**	**407**

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In the CEO Manual, Chapter 8, Annex A, page 201/281, add a new footnote which is in bold text and align the subsequent alphabetical order.

(Footnotes to Annex A)

[w] Generators which are not operating as main power will be reimbursed at 50 percent of the applicable rate.