



LINKING COE REIMBURSEMENT TO VEHICLE USAGE AND READINESS

Sub-Working Group on Major Equipment

LIST OF ISSUE PAPERS

USA-2 Linking COE reimbursement to vehicle usage and readiness

FOCAL POINTS

USA

SUMMARY OF PROPOSAL

This issue paper recommends the addition of provisions to the COE Manual that establish a clear reimbursement scheme to incentivize vehicle usage toward operational objectives. To ensure COE is used for its intended purpose and increase transparency and accountability of UN funds, the manual should link reimbursement to usage, not just to serviceability.

Currently, the COE manual contemplates reimbursing TCCs for maintenance costs provided the TCC sustains vehicle operational readiness rates of 90%, without a requirement to demonstrate vehicle usage towards operational objectives. Because vehicle usage is not reimbursable to TCCs under the current COE Manual, TCCs may limit the use of their vehicles to ensure that vehicles remain operationally ready, e.g. not damaged. To encourage TCCs to use the vehicles to meet operational objectives, the Manual should reimburse TCCs for actual vehicle usage, subject to the UN-standard 90% operational readiness rate.

TCCs provide necessary COE to UN peacekeeping missions in accordance with the mission-specific Memorandum of Understanding (MOU). The MOU is a legally binding bilateral agreement between the UN and the TCC's National Leadership that details the specific quantities and types of personnel, equipment, vehicles, and/or service capabilities the TCC will provide to the UN to carry out a given UN peacekeeping operation. The terms of major equipment reimbursement, under either a wet or dry lease

Still under discussion

Agreed by the sub-working group on 26/01/2023

AGREED BY WORKING GROUP ON 27/01/2023

LAST CHANGED 27 JANUARY 2023 AT 11:45 AM



arrangement (Chapter 2, Section III), are included in the final MOU at Annex B (Chapter 9, Model Memorandum of Understanding). The UN will reimburse the TCC for COE maintenance (termed “serviceability”) if the TCC maintains an OR rate of at least 90%. If serviceability falls below 90% or if the TCC does not provide the quantity and type of vehicle indicated in the MOU, the UN reduces the reimbursement amount. (Chapter 8, Section II). As it currently stands, however, there is no provision in the reimbursement terms that links reimbursement rate to usage during deployment.

This failure to link reimbursement to vehicle usage may result in reimbursement for vehicles that are not used in the field and may not be needed. Senior leadership at individual missions have suggested that units deploy to a UN peacekeeping operation and purposefully avoid using their COE. Even though (and because) it was not used, the COE is serviceable, the UN authorizes reimbursement to the TCC. The serviceability criteria on its own cannot guarantee that the COE is used sufficiently to permit reimbursement, so there is a need to mitigate this problem in the upcoming Manual.

Under the current system, the UN is responsible for verifying that “the terms and conditions of the bilateral memorandum of understanding have been met, and to take corrective action when required” (Chapter 9, Annex B, Section III). The Force Commander is responsible for ensuring that TCCs adhere to the proper procedures and uphold the integrity of inspections (Chapter 10, Section II, B. 30). The COE units conduct arrival, operational, periodic, and repatriation inspections. Leveraging this existing system, COE usage should be examined alongside serviceability by documenting odometer readings during inspection and cross-referencing it with the Vehicle Equipment Record. Additionally, COE team, the TCC and the Force Commander can identify what is an operational vehicle and what are logistical/support vehicles. Operational vehicles should have an odometer-reading column added to the verification reports. If TCCs routinely do not use operational vehicles as stipulated in the MOU, the Director of Mission Support should be contacted to initiate a review of odometer readings, serviceability status, and verification reports to determine if misrepresentation occurred and whether additional steps need to be taken. The process to resolve discrepancies should start at the lowest level with consultative discussions with the TCC, and ultimately could result in an adjusted or rescinded reimbursement rate. (Chapter 2, Section IX, and X; Chapter 3, II, IV, and VII). Finally, the reimbursement rate formula stipulated in the 2020 Manual should be updated to include actual mileage based on recorded odometer readings as an independent variable (Chapter 8, Section II).

PROPOSED TEXT FOR 2023 COE WG

The working group requests the Secretariat to write a project proposal for the conduct of a comprehensive study on how best to reimburse T/PCCs based on usage over operability of major equipment for inclusion in the annual extra-budgetary funding request 2023 to the member states and this study should be concluded before the next COE working group in 2026.

PROPOSED TEXT FOR 2023 COE MANUAL

NIL