



# FINANCIAL ASSESSMENT ON CATERING SELF-SUSTAINMENT RATES AND USE OF FIELD KITCHENS (PROPOSAL TO INCLUDE KITCHEN TRAILER AS A GENERIC MAJOR EQUIPMENT ITEM)

Secretariat Issue Paper #3 – Mandated Study

Issue Paper Theme: **Major Equipment**

## BACKGROUND

Following discussions during the 2020 Major Equipment Sub-Working Group, the General Assembly in its Resolution A/RES/74/279 endorsed recommendation 36 (b) of the 2020 COE Working Group that troop/police contributors submit to the 2023 COE Working Group the financial assessment on the catering self-sustainment rate, if considered necessary by the troop/police contributors, and the potential increased usage of mobile kitchens.

Given this recommendation and having observed the increased number and duration of temporary operating bases (TOBs) across peacekeeping missions over the last years, the Secretariat took it upon itself to conduct a study and put forward a proposal to include kitchen trailer in the list of major equipment items with a generic monthly reimbursement rate.

In recent years the United Nations peacekeeping operations have become more agile and mobile, requiring personnel to frequently move outside the main operating bases to establish and maintain TOBs of various duration depending on the situation on the ground. In these circumstances kitchen trailers (or any other easily transportable mobile kitchen facility) becomes an important asset to ensure proper logistics support and continuous provision of catering to the troops in TOBs.

In order to identify and propose the reimbursement rate for this equipment, the Secretariat reached out to 28 T/PCCs requesting them to submit data on the value of kitchen trailers / mobile kitchens used in their national armies and / or for deployment to peacekeeping missions. Nine T/PCCs came back providing financial data for 10 types of kitchen trailers with price ranging from \$7,000 to \$100,000 (US dollars). Statistical median of the data was taken to identify the generic fair market value (GFMV).

## PROPOSAL

To introduce kitchen trailer as a separate major equipment item with approved monthly reimbursement rate.



## FINANCIAL IMPLICATIONS

With a GFMV of \$39,182.44 and estimated useful life of 10 years, the monthly reimbursement wet lease rate for a kitchen trailer is \$431 per item per month. It includes \$78.36 monthly maintenance cost and \$26.12 of no-fault incident factor value.

The feed data and calculations of the rate are presented **in the Annex** to this Issue Paper.

## PREVIOUS HISTORY

The proposal was previously submitted for consideration of the 2020 COE Working Group in Issue Paper # 2 from Brazil.



## ANNEX

Feed data and calculation of the monthly reimbursement wet lease rate for a Kitchen Trailer

Country	Value data
E	\$ 7,000.00
H	\$ 8,000.00
G	\$ 20,000.00
A	\$ 22,000.00
D	\$ 31,186.00
I	\$ 47,178.88
C	\$ 75,000.00
F	\$ 79,326.77
B Police	\$ 88,535.53
B Military	\$ 100,000.00
<b>Median</b>	<b>\$ 39,182.44</b>

ITEM DESCRIPTION	UN CALCULATIONS							
	GFMV PER ITEM (US\$)	USEFUL LIFE	MAINT	NO-FAULT		DRY LEASE RATE PER ITEM	WET LEASE RATE PER ITEM	
			COST	INCIDENT FACTOR	INCIDENT FACTOR			RATE
Kitchen Trailer	\$39,182.44	10	\$ 78.36 PER ITEM/ PER MONTH	0.2%	0.80%	\$ 26.12	\$ 352.64	\$ 431

The GFMV is a median of the 10 financial data from 9 T/PCCs.

Useful life, maintenance cost and no fault incident factor are aligned with the generic COE Manual specialized trailers (welding trailer and compressor trailer).

Definitions:

GFMV: Generic Fair Market Value

Used calculations according to "Manual COE-system", Chapter 5 "Special Case":

Dry lease rate = GFMV / Useful life / 12 + GFMV \* "No fault incident %" / 12

Wet lease rate = Dry lease rate + Maintenance rate