

September 2008

UNITED NATIONS PEACEKEEPING

Lines of Authority for Field Procurement Remain Unclear, but Reforms Have Addressed Some Issues



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Highlights

Highlights of [GAO-08-1094](#), a report to the Committee on Foreign Relations, United States Senate

Why GAO Did This Study

The United States is the largest financial contributor to United Nations (UN) peacekeeping operations—providing about \$1.4 billion in 2008 (about 26 percent of the total UN peacekeeping assessed budget)—and has a strong interest in the efficient and effective management of these operations. The size and scope of UN peacekeeping has significantly increased over the past several years and the UN has pursued management reforms to strengthen its capacity to support operations. GAO was asked to examine (1) the status of the current restructuring and strengthening of peacekeeping management including procurement for the field, (2) the status of reforms to address previously identified problems with peacekeeping procurement, and (3) the UN Logistics Base's support of peacekeeping operations. GAO reviewed relevant UN documents; conducted structured interviews with chief procurement officers at 20 peacekeeping missions; and interviewed UN and U.S. officials.

State agreed with the report and commented that it would draw upon some of the report findings in its discussion with the United Nations. The UN agreed with GAO's assessment of the status of reforms and provided technical comments, which are addressed in the report as appropriate.

To view the full product, including the scope and methodology, click on [GAO-08-1094](#). For more information, contact Thomas Melito at (202) 512-9601 or melitot@gao.gov.

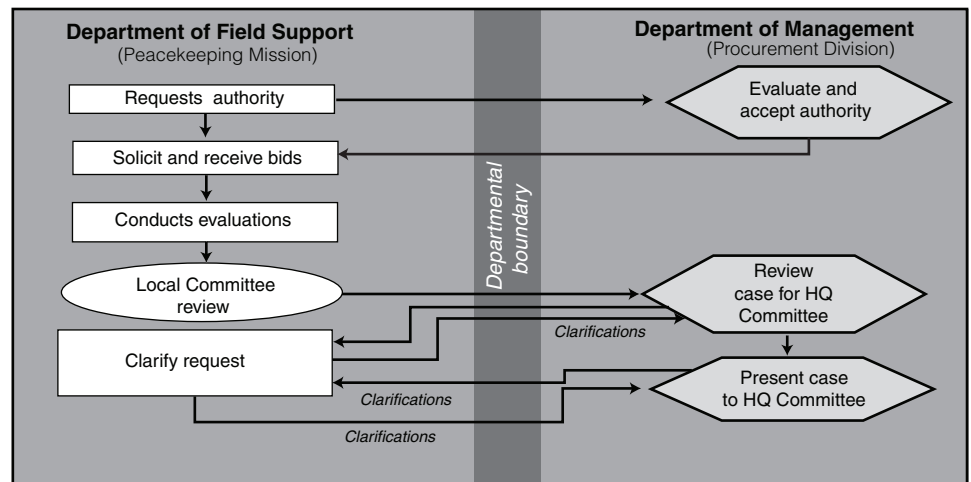
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What GAO Found

The United Nations (UN) is in the process of restructuring and strengthening its organization for peacekeeping management, but has not resolved the issue of authority for field procurement, which is fundamental to the restructuring. Instead, the authority for field procurement remains divided between two departments, leaving the lines of accountability and responsibility for field procurement unclear. See figure. Member states are also concerned that the head of the new Department of Field Support reports to and takes direction from the head of the Department of Peacekeeping Operations on matters related to peacekeeping missions. The UN has not yet appointed several key senior-level staff for both departments, at a critical time in the restructuring.

UN Field Procurement Process (for procurements requiring HQ review; \$500,000 and above)



Source: GAO analysis. Due to space limitations, this graphic does not represent the full procurement process.

The UN has made some progress in implementing procurement reforms to improve internal controls and processes. For example, the UN Secretariat has established financial disclosure requirements for all staff involved in the procurement process, expanded training for peacekeeping staff and updated its procurement manual. However, these efforts have not addressed some previously identified concerns, including difficulties in attracting and retaining field procurement staff and in applying procurement processes in the field.

The UN Logistics Base (UNLB) in Brindisi, Italy, provides important communications and logistical support to peacekeeping operations and has expanded considerably since 2002. UNLB maintains the UN's worldwide information and technology network and provides peacekeeping missions with stocks that are essential during start-up. In response to peacekeeping mandates, UNLB has further expanded to take on tasks such as training and aviation support. However, its growth over the past 5 to 6 years has raised concerns of the General Assembly, which requested that it clarify its role and future development plans.

Contents

Letter		1
	Results in Brief	3
	Background	5
	Restructuring of Peacekeeping Management under Way, but Ambiguity Remains on Procurement Lines of Authority	11
	Peacekeeping Procurement Reforms Are Proceeding, but Have Not Addressed Some Previously Identified Concerns	19
	UNLB Provides Important Communications and Logistical Support to Peacekeeping Missions, but Its Rapid Growth Has Raised Concerns among Member States	29
	Conclusion	34
	Agency Comments and our Evaluation	35

Appendix I	Objectives, Scope and Methodology	37
-------------------	--	----

Appendix II	Summary Results of GAO's Survey of Chief Procurement Officers at UN Peacekeeping Missions	41
--------------------	--	----

Appendix III	Components of Strategic Deployment Stocks (SDS)	43
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Appendix IV	Comments from the Department of State	45
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Appendix V	Comments from the United Nations	47
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Appendix VI	GAO Contact and Staff Acknowledgments	48
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Tables		
	Table 1: Implementation Status of Procurement Reforms and Continuing Concerns	20
	Table 2: UNLB's Appropriations, Staffing Levels, and SDS Shipments from 2002 to 2008	33

Figures

Figure 1: Map with location of UNLB and field missions	10
Figure 2: UN Field Procurement Process (for procurements exceeding mission authority and requiring HCC review—\$500,000 and above)	14
Figure 3: Reorganization of DPKO and DFS	17
Figure 4: UNLB's Communications and Data Facilities	31

Abbreviations

ACABQ	UN Advisory Committee on Administrative and Budgetary Questions
CPO	Chief Procurement Officer
DDR	Disarmament, Demobilization and Reintegration Section
DFS	UN Department of Field Support
DOD	United States Department of Defense
DPKO	UN Department of Peacekeeping Operations
ERM	Enterprise Risk Management
GA	General Assembly
GIS	Geographic Information Systems
HCC	Headquarters Committee on Contracts
IAPSO	Inter-Agency Procurement Services Organization
IT	Information Technology
LCC	Local Committee on Contracts
MDTS	Mobile Deployable Telecommunications System
MOU	Memorandum of Understanding
MRP	Material Resource Plan
OIOS	Office of Internal Oversight Services
PD	UN Department of Management's Procurement Division
SDS	Strategic Deployment Stocks
SPC	Standing Police Capacity
UN	United Nations
UNHRD	United Nations Humanitarian Response Depot
UNLB	United Nations Logistics Base

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United States Government Accountability Office
Washington, DC 20548

September 18, 2008

The Honorable Joseph R. Biden, Jr.
Chairman
The Honorable Richard G. Lugar
Ranking Member
Committee on Foreign Relations
United States Senate

The United States is the largest financial contributor to United Nations (UN) peacekeeping operations—providing about \$1.1 billion in 2008—and has a strong interest in the efficient and effective management of these operations. Over the past several years, the size and scope of UN peacekeeping has increased more than four-fold. In January 2000, the UN deployed about 18,000 troops, police, and observers to peacekeeping operations worldwide. As of August 2008, the UN had over 88,000 peacekeeping troops, police, and observers conducting 16 peacekeeping operations in 15 countries. The UN operations support U.S. national interests by carrying out mandates to help stabilize regions and promote international peace. Some mandates for these operations include working to ensure that southern Lebanon is not utilized for hostile activities; assisting with the restoration and maintenance of the rule of law and public safety in Haiti; and contributing to the protection of civilian populations and facilitating humanitarian activities in Darfur.

To effectively carry out its increased peacekeeping responsibilities, the UN has been pursuing the implementation of various management reforms, including some contained in the Secretary-General's 2007 reform proposal to restructure peacekeeping management. The management and organizational restructuring was intended to strengthen the UN's capacity to direct and support operations by splitting the Department of Peacekeeping Operations (DPKO) into two departments—DPKO and a newly created Department of Field Support (DFS). Two core elements of the proposed restructuring are the transfer authority for field procurement from the Department of Management to DFS and the strengthening of DPKO and DFS at senior managerial levels. Other reforms include efforts to strengthen UN procurement processes and to develop and expand the UN logistics base. UN procurement totals about \$2 billion annually and has been vulnerable to fraud, waste, and abuse, according to UN oversight reports. UN and GAO reports in 2006 and 2007 identified weaknesses in procurement and made recommendations to address them, such as

clarifying lines of authority between headquarters and the field.¹ The U.S. government also has expressed concerns that a number of procurement reforms have experienced delays, including the establishment of an independent bid protest system and the need to improve transparency and accountability in UN procurement activities. The UN Logistics Base (UNLB) has been operating in Brindisi, Italy, since 1994 to contribute to efficient and effective peacekeeping operations. In 2002, UNLB's role was expanded to focus on providing strategic deployment stocks² (SDS) for rapid start-up of new missions. With the growth of peacekeeping, UNLB has taken on additional duties, such as providing the communications network for all missions.

In this report, we examine (1) the status of restructuring and strengthening peacekeeping management, including the authority for field procurement; (2) the status of reforms to address previously identified problems with peacekeeping procurement; and (3) UNLB's support of peacekeeping operations and its recent expansion.

To address these objectives, we reviewed UN planning and budget reports, General Assembly resolutions, performance reports and evaluations, and other UN documents. We also reviewed UN staffing, budget, and procurement data. In addition we reviewed previous GAO reports on UN management and procurement reforms and used the internal controls framework that is widely accepted in the international audit community and has been adopted by leading accountability organizations.³ At UN headquarters in New York, we met with officials from DPKO, DFS, the Department of Management, and the Office of Internal Oversight Services. We also met with officials at the U.S. Mission to the United Nations and with representatives of other UN member states. In addition, we conducted structured interviews with chief procurement officers at 20

¹GAO, *United Nations: Procurement Internal Controls Are Weak*, [GAO-06-577](#) (Washington, D.C.: April 2006). GAO, *United Nations: Progress on Management Reform Efforts Has Varied*, [GAO-08-84](#) (Washington, D.C.: November 2007). United Nations, *Report of the Office of Internal Oversight Services on the Activities of the Procurement Task Force for the 18-month period ended 30 June 2007*, A/62/272 (October 2007).

²Strategic deployment stocks include vehicles, communications equipment, and accommodation, among other items. This equipment is stored and maintained at UNLB as a reserve to be used for rapid deployment to newly starting missions.

³Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control—Integrated Framework* (September 1992).

field missions, including all 17 peacekeeping missions⁴ and the 3 special political missions directed by DPKO. During these interviews, we discussed procurement reforms and processes, followed up on previous GAO findings, and also discussed issues related to peacekeeping management and UNLB. In Washington, D.C., we met with State and DOD officials. We also traveled to Rome and Brindisi, Italy, to meet with officials from UNLB and the UN Humanitarian Response Depot, as well as representatives of the U.S. Mission to the Rome-based UN organizations.

We conducted this performance audit from August 2007 to September 2008 in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Appendix I provides a more detailed description of our objectives, scope, and methodology.

Results in Brief

The United Nations is in the process of restructuring and strengthening its organization for peacekeeping management, but has not resolved the issue of authority for field procurement, which is fundamental to this reform. As the Secretary-General and the General Assembly have not decided whether to shift the authority and resources for field procurement from the Department of Management to the Department of Field Support (DFS), the process for peacekeeping procurement remains divided between the two departments, leaving the lines of accountability and responsibility for field procurement unclear. Most of the field missions' chief procurement officers told us that this situation has created challenges for field procurement. For example, one field procurement officer told us that, if a procurement delay impacts a mission's operations, it is possible that no one can be held accountable for the delay. The physical reorganization of the Departments of Peacekeeping Operations and Field Support is substantially in place. However, some member states are concerned that under the new organizational structure, the Under Secretary-General of DFS reports to and take direction from the Under Secretary-General of DPKO for matters related to DPKO-managed field missions. This is a unique arrangement within the UN and is not to set a precedent, according to member states. Although both departments are making progress in

⁴One mission, UNMEE, closed after our structured interviews were conducted.

hiring for additional staff positions established by the restructuring, this effort is behind schedule, and several key senior-level positions are filled on a temporary basis.

The United Nations has made some progress in implementing procurement reforms to improve internal controls and processes, but has not resolved several continuing procurement concerns. To strengthen internal controls, the UN Secretariat has established financial disclosure requirements for all staff involved in the procurement process and has implemented a 1-year restriction on the employment of former UN procurement staff by UN vendors, among other efforts. The UN has also initiated measures to improve peacekeeping procurement, including expanding training for peacekeeping staff and updating its procurement manual. However, the UN has not fully implemented some procurement concerns we previously identified in 2006. For example, the UN has not made progress in addressing concerns that limited career development opportunities have made it difficult to attract and retain staff needed for field procurement. Most chief procurement officers told us that the UN has not established a formal career path for procurement staff. In addition, almost all of the chief procurement officers reported difficulties in applying some vendor registration requirements in the field, for example obtaining bank statements from local vendors where no banking system exists.

UNLB provides important communications and logistical support to peacekeeping operations and has expanded considerably since 2002. However, member states have requested that the Secretariat justify this expansion by clearly defining UNLB's role and future development plans. UNLB maintains the UN's worldwide information and technology network, which links UN headquarters with all peacekeeping operations and field missions. UNLB also provides peacekeeping operations with strategic deployment stocks (SDS) that are essential during mission startup. From 2002 to 2008, UNLB's budget grew from \$14 million to over \$45 million, and its staff levels increased from 130 to 264. UNLB has further expanded to take on tasks such as training field mission staff and providing aviation support services for certain missions. Because of UNLB's growth, the General Assembly endorsed the recommendation that UNLB clarify and report on its role and future operations in light of its expanded tasks. In response to these concerns, UNLB and DFS are developing a proposed 5-year plan for supporting peacekeeping missions.

The Department of State and the UN provided written comments on a draft of the report, which we have reprinted in appendixes IV and V. State

agreed with the main findings of the report and agreed that much work remains in the UN's ongoing process to restructure and strengthen its organization for peacekeeping management. State commented that it would draw upon our findings in its continuing discussions with the UN. The UN commented that the report was a generally accurate reflection of the current situation. State and the UN also provided technical comments which we addressed in the report as appropriate.

Background

Restructuring Peacekeeping Management

One of Secretary-General Ban Ki-Moon's first major initiatives, upon beginning his tenure in 2007, was to submit to the General Assembly a proposal to restructure the Department of Peacekeeping Operations (DPKO) and establish the Department of Field Support (DFS). The Secretary-General's proposal, built on previous reform efforts, included requests to reorganize the offices within DPKO, provide additional senior and professional staff for both departments, create new capacities and integrated structures, and transfer resources and authority for field procurement from the Department of Management to DFS. The Secretary-General proposed adding 400 new posts funded under the UN's support account for peacekeeping operations, including 162 posts in DPKO and 123 posts in DFS. In August 2007, the General Assembly approved many but not all of the elements of the Secretary-General's proposal, listed below:

- *Creation of new structures*, including establishment of DFS from DPKO's former Office of Mission Support; within DPKO, consolidation of former offices into an Office of Rule of Law and Security Institutions and a Policy, Evaluation and Training Division; and reconfiguration of the Africa Division into two divisions;
- *Creation of new capacities*, such as a Public Affairs Unit within DPKO's Office of the Under-Secretary-General; a security sector reform capacity⁵ in the Office of Rule of Law and Security Institutions, and

⁵Prior to the addition of a security sector reform capacity within DPKO, no strategic mechanism existed on a UN-wide scale to develop or implement policies or guidelines for peacekeeping missions. Rather, each peacekeeping mission defined, engaged, and reported on security sector reform in different ways.

evaluation and partnership capacities⁶ in the Policy, Evaluation and Training Division;

- *Increase in number of senior and working-level positions*, including the creation of new positions such as Under Secretary-General of DFS, and Chief of Staff of DPKO (responsible for overseeing the implementation of the DPKO/DFS restructuring, among other duties⁷); and upgrading the Military Advisor position to the Assistant Secretary-General level.

Elements of the Secretary-General's restructuring proposal that were not approved by the General Assembly included the following:

- *Establishment of the Field Procurement Service* within DFS, which would have increased the delegation of authority for field procurement in DFS;
- *Creation of 17 of the 42 positions* requested for Integrated Operational Teams, located within DPKO; and
- *Creation of a risk management capacity within DFS.*

The Secretariat set a target date of March 2008 to finish recruitment of new staff and a target date of June 2008 to implement the restructuring of DPKO and DFS.

UN Procurement Reforms

UN spending on procurement has grown significantly over the past decade as peacekeeping operations have expanded, as the Procurement Division has reported increases in procurement spending from about \$318 million in 1998 to approximately \$1.9 billion in 2007. According to DFS, over 85 percent of the UN's procurement spending is in support of peacekeeping operations, with field missions accounting for almost 50 percent of total UN procurement.

⁶A partnerships capacity within DPKO was developed to bring a more coordinated and strategic approach to peacekeeping and post-conflict engagement with other UN and non-UN partners.

⁷Some of the other responsibilities of the Chief of Staff include monitoring the day-to-day internal operations of DPKO, ensuring effective coordination and integrated functioning with DFS, and leading and coordinating DPKO's engagement with intergovernmental bodies.

Peacekeeping procurement is conducted both by field missions and the headquarters Procurement Division, located within the Department of Management. The Procurement Division develops policies and procedures for headquarters and field procurement based on the UN Financial Regulations and Rules. The Procurement Division also oversees training for procurement staff and provides advice and support for field purchases. In addition, the Procurement Division negotiates, prepares, and administers contracts for goods and services for peacekeeping missions. These involve multi-year systems contracts for goods and services such as air transportation or vehicles.

Each field mission has a procurement section led by a chief procurement officer who typically has a personal delegation of procurement authority to award contracts up to \$75,000.⁸ Contracts or purchase orders above the authority delegated to chief procurement officers must be approved by the mission's Director or Chief of Mission Support, based on the advice of the mission's Local Committee on Contracts (LCC), which reviews and recommends contract awards above delegated authorities. Contracts worth more than \$500,000 must first be recommended by the Director or Chief of Mission Support based on the advice of the LCC. The cases are then forwarded to the Headquarters Committee on Contracts (HCC), located in New York for review. The HCC reviews proposed awards and provides a recommendation to the Assistant Secretary-General of the Office of Central Support Services (the contracting approval authority), as to whether the contracts are in accordance with the UN Financial Regulations and Rules and procurement policies.

UN procurement reform is an important element of strengthening the management of peacekeeping and weaknesses in UN procurement have raised significant concerns. In 2006, we reported that weak internal controls over UN peacekeeping procurement expose UN operations to risk of waste, fraud, and abuse. We further reported that the UN's control environment for procurement is weakened by the absence of (1) an effective organizational structure, (2) a commitment to a professional workforce, and (3) specific ethics guidance for procurement staff. To address these concerns, we recommended that the Secretary of State and the Permanent Representative of the United States to the UN work with

⁸The delegation of procurement authority comes from the Department of Management to the Under Secretary-General of DFS. The head of DFS, in turn, delegates procurement authority to the Directors or Chiefs of Mission Support, who delegate authority to chief procurement officer and other procurement staff as appropriate.

other member states to encourage the Secretary-General to take the following eight actions:

- Establish clear and effective lines of authority and responsibility between headquarters and the field for UN procurement,
- Enhance the professionalism of the UN procurement workforce by establishing a comprehensive procurement training program and a formal career path,
- Provide the Headquarters Committee on Contracts with an adequate structure and manageable workload for contract review needs,
- Establish an independent bid protest process for UN vendors,
- Take action to keep the UN procurement manual complete and updated on a timely basis and complete ethics guidance,
- Develop a consistent process for providing reasonable assurance that the UN is conducting business with only qualified vendors,
- Develop a strategic risk assessment process that provides reasonable assurance of systematic and comprehensive examination of headquarters and field procurement, and
- Standardize and strengthen monitoring of procurement activities by procurement managers, including actions to ensure that oversight agencies' recommendations are implemented and that officials are held accountable for their actions.⁹

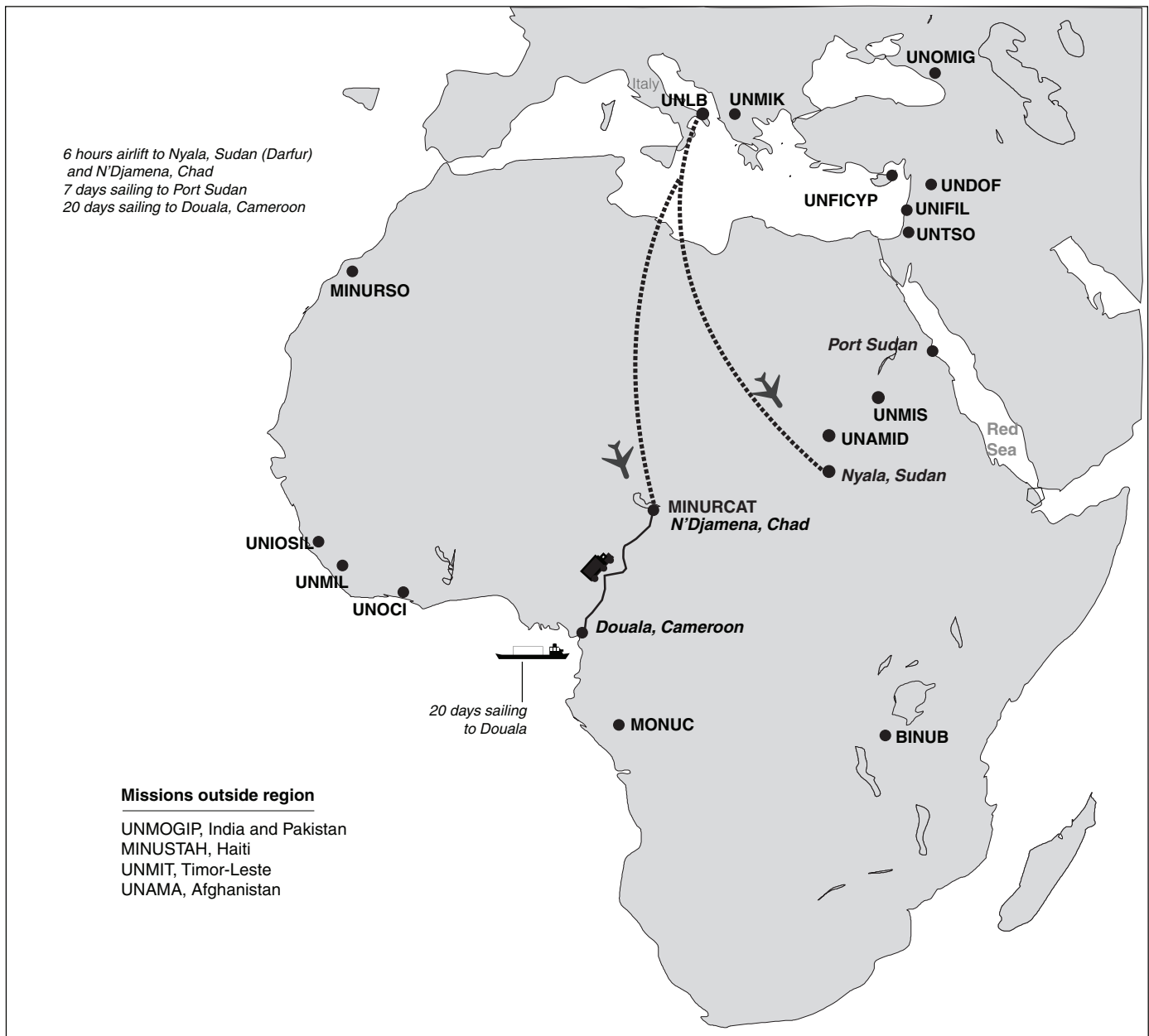
In November 2007, as part of a broader review of UN management reforms, we reported that the UN Secretariat had improved the UN procurement process, but not in all the areas of vulnerability we had previously identified. Internal UN oversight entities have also reported on UN procurement activities and reforms. In a February 2007 report summarizing its audits and investigations of peacekeeping operations, the Office of Internal Oversight Services (OIOS) identified serious deficiencies in procurement management, systems, and processes. In October 2007, the UN's Procurement Task Force also raised concerns about internal controls involving contracts that it reported to have a value of approximately \$610 million and identified fraud and corruption schemes related to some of them. The Procurement Task Force further reported that these cases involved a misappropriation of approximately \$25 million.

⁹We also recommended that the Secretary of State report to Congress annually regarding UN progress in reforming its procurement process, with particular attention to the status of UN progress in addressing the above recommendations.

UN Logistics Base

The UN Logistics Base (UNLB) in Brindisi, Italy, is a permanent logistics base that supports UN peacekeeping operations and has been in operation since 1994. The predecessor to UNLB, located in Pisa, Italy, was used as a storage facility for assets received upon the closure of DPKO missions, but with the increase in peacekeeping missions, the need arose for a more strategically located facility in which to store and maintain reserves for missions. Since 1994, UNLB has evolved to provide additional services including logistics, communications, and other support services to UN peacekeeping missions and has a budget of just over \$45 million for fiscal year 2008-2009. UNLB has a natural deepwater harbor as well as air, road, and rail infrastructure, and is within 5,000 kilometers, or a 6-hour flight, of most peacekeeping operations (see fig. 1). Under a memorandum of understanding with the Government of Italy, UNLB occupies the Brindisi premises rent free. The World Food Program manages a UN Humanitarian Response Depot adjacent to the UNLB facility.

Figure 1: Map with Location of UNLB and Field Missions



Source: GAO analysis.

Note: Map is not drawn to scale and is for illustrative purposes only. A list of all DPKO missions is on the following page.

Peacekeeping Missions

UNTSO – United Nations Truce Supervision Organization; **UNMOGIP** – United Nations Military Observer Group in India and Pakistan; **UNFICYP** – United Nations Peacekeeping Force in Cyprus; **UNDOF** – United Nations Disengagement Observer Force; **UNIFIL** – United Nations Interim Force in Lebanon; **MINURSO** - United Nations Mission for the Referendum in Western Sahara; **UNOMIG** - United Nations Observer Mission in Georgia; **UNMIK** - United Nations Interim Administration Mission in Kosovo; **MONUC** - United Nations Organization Mission in the Democratic Republic of the Congo; **UNMIL** - United Nations Mission in Liberia; **UNOCI** - United Nations Operation in Cote d'Ivoire; **MINUSTAH** - United Nations Stabilization Mission in Haiti; **UNMIS** - United Nations Mission in the Sudan; **UNMIT** - United Nations Integrated Mission in Timor-Leste; **UNAMID** - African Union-United Nations Hybrid Operation in Darfur; **MINURCAT** - United Nations Mission in the Central African Republic and Chad.

Special Political Missions led by DPKO

UNAMA – United Nations Mission in Afghanistan; **UNIOSIL** – United Nations Integrated Office in Sierra Leone; **BINUB** – United Nations Integrated Office in Burundi.

In 2002, UNLB began managing strategic deployment stocks (SDS), which include equipment used for the start-up of new missions. SDS is designed to help enable the rapid deployment of new missions within 30 to 90 days. To ensure that it is always in a state of readiness to support a newly established mission, UNLB maintains SDS as a revolving inventory that is replenished after equipment is shipped to missions.

Restructuring of Peacekeeping Management under Way, but Ambiguity Remains on Procurement Lines of Authority

The United Nations is in the process of restructuring and strengthening its organization for peacekeeping management, but the Secretary-General and General Assembly have not decided whether the Department of Management or the Department of Field Support (DFS) will have full authority for field procurement. According to procurement officers in the field, authority and responsibility for peacekeeping is divided and remains unclear (A full discussion of the implementation of procurement reforms is in the following section). Although the reorganization of the Departments of Peacekeeping and Field Support is largely in place, some member states are concerned that the Under Secretary-General of DFS reports to and takes direction from the Under Secretary-General of DPKO for matters related to DPKO-managed field operations, in an arrangement that is both new and unique within the UN. Both departments are proceeding to recruit the additional staff authorized, but the recruitment is behind schedule and several key senior-level positions have not been permanently filled, according to the UN.

Decision on Authority for Field Procurement Has Not Been Made and Lines of Authority and Responsibility Remain Unclear

The authority for field procurement remains divided between the Department of Management and DFS. In his 2007 peacekeeping restructuring proposal, the Secretary-General considered the delegation of authority and resources for field procurement to DFS fundamental to the rationale for realigning peacekeeping and establishing the new department.¹⁰ The Secretary-General's plan further stated that this transfer of authority would simplify the line of authority and accountability for procurement and would result in more timely delivery of goods and services to the field. In 2007, however, the General Assembly deferred its decision on whether to approve the transfer of authority for field procurement and approximately 50 staff from the Department of Management to DFS, pending the submission of a report by the Secretary-General. This report is to explain in detail the proposed management structure for procurement, including procurement procedures for peacekeeping operations. The General Assembly originally requested that this report be issued in time for its fall 2007 session, but the Secretary-General has not yet issued it.

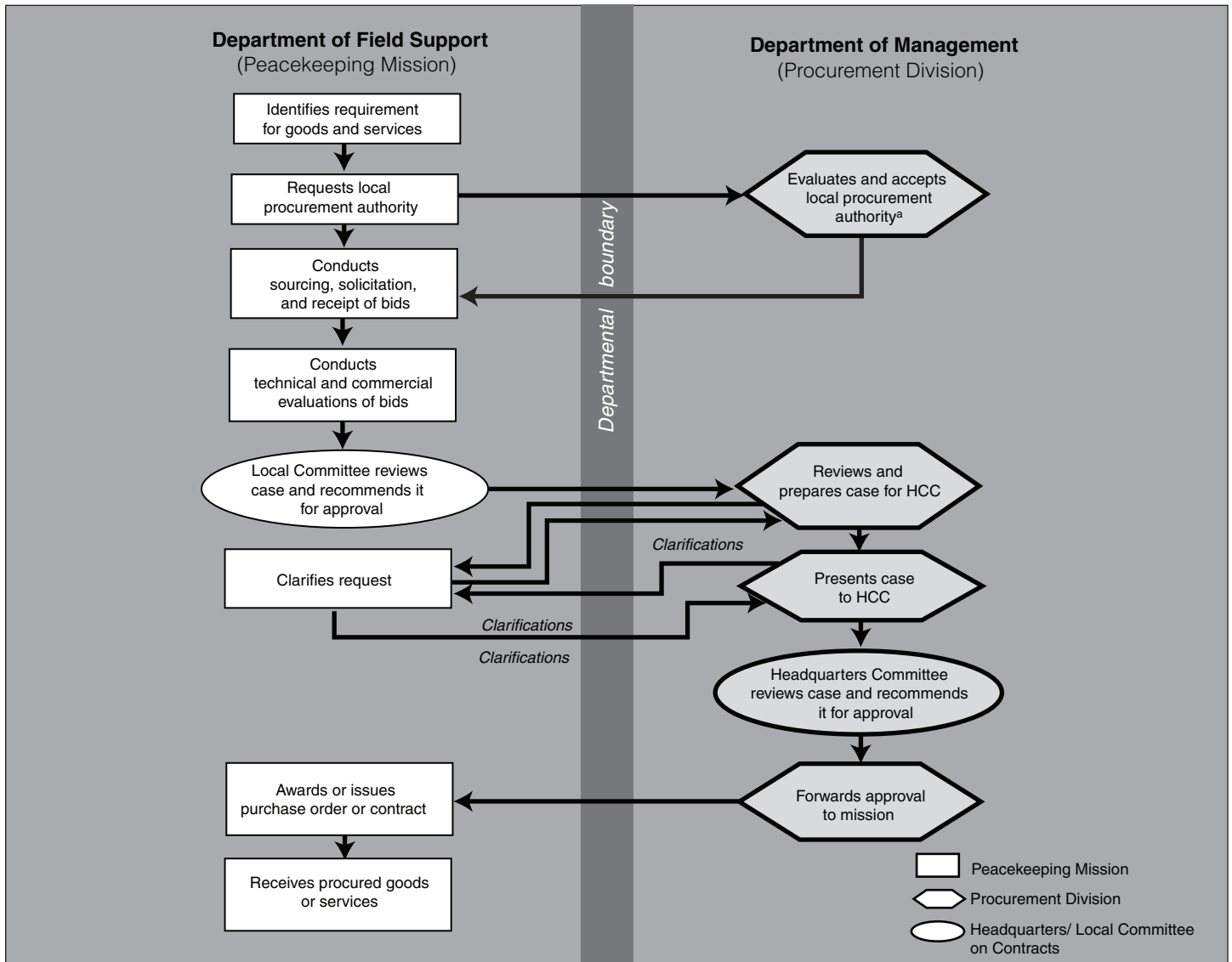
In 2006, we reported that the division of authority over field procurement between the Department of Management and DPKO had led to diffused accountability over procurement functions. We reported that because the UN had not established a single organizational entity or mechanism capable of comprehensively managing procurement, it was unclear which department was accountable for addressing problems in the UN's field procurement process. To address these concerns, we recommended that the Secretary of State and the Permanent Representative of the United States to the UN work with other member states to encourage the Secretary-General to establish clear and effective lines of authority between headquarters and the field for UN procurement, among other steps. The U.S. government's position is that the UN must fix systemic problems in the UN procurement system including the lack of accountability and an ineffective and inefficient organizational structure.

Officials of both the Department of Management and DFS acknowledge that the current divided authority for procurement is an area of vulnerability. For example, Department of Management officials told us that the dual control over procurement prevents the strategic management

¹⁰Currently, the UN financial rules state that the Department of Management has authority over procurement and over the designation of officials responsible for procurement. The UN procurement manual gives DFS some authority over local procurement, but the manual is subordinate to the UN's financial rules and regulations.

of procurement. These officials stated that the Department of Management's procurement division has overall responsibility for UN procurement, but lacks authority or jurisdiction over peacekeeping missions. DFS officials agreed that the continued divided management structure for field procurement is problematic. These officials said that each field procurement crosses between the Departments of Management and Field Support multiple times, which is inefficient and leaves open the question of which department is ultimately accountable and responsible for the procurement. Figure 2 illustrates the divided lines of authority in the procurement of goods and services that exceed field mission authority, with approval and clarifications moving back and forth between DFS and the Department of Management before the procurement is completed.

Figure 2: UN Field Procurement Process (for procurements exceeding mission authority and requiring HCC review—\$500,000 and above)



Source: GAO analysis.

Note: This figure provides a high-level summary view and does not include all steps of the field procurement process.

^aThe evaluation and acceptance of authority is completed in conjunction with DFS.

In our structured interviews, chief procurement officers at peacekeeping missions commented that the lack of clear authority and accountability continues to adversely impact them. Eighteen of the 20 chief procurement officers we interviewed outlined challenges or difficulties stemming from the division of responsibilities for field procurement. For example, DFS does not have full operational control and authority for field procurement because it does not approve individual cases, according to one chief procurement officer. The Department of Management's Procurement Division does review cases before they are submitted to the Headquarters Committee on Contracts, but is not operationally accountable for late procurements in the field, according to another chief procurement officer. As a result, one field procurement officer told us that, even when a procurement delay impacts a mission's operation, it is possible that no one can be held accountable because procurement staff followed the rules and procedures of their departments. Eighteen of the 20 chief procurement officers we interviewed also expressed confusion or uncertainties over the division of responsibilities between the two departments as well as which department they should seek guidance from. For example, several chief procurement officers told us that the Procurement Division indicated that they should not communicate with the division on procurement questions, but should instead ask DFS. However, DFS has only a two-person office to assist field missions with their procurement concerns, and several of the chief procurement officers said that DFS lacks the resources needed to sufficiently support field procurement. Several chief procurement officers also said they feel like "orphans" and are often left on their own to make procurement decisions in isolation.

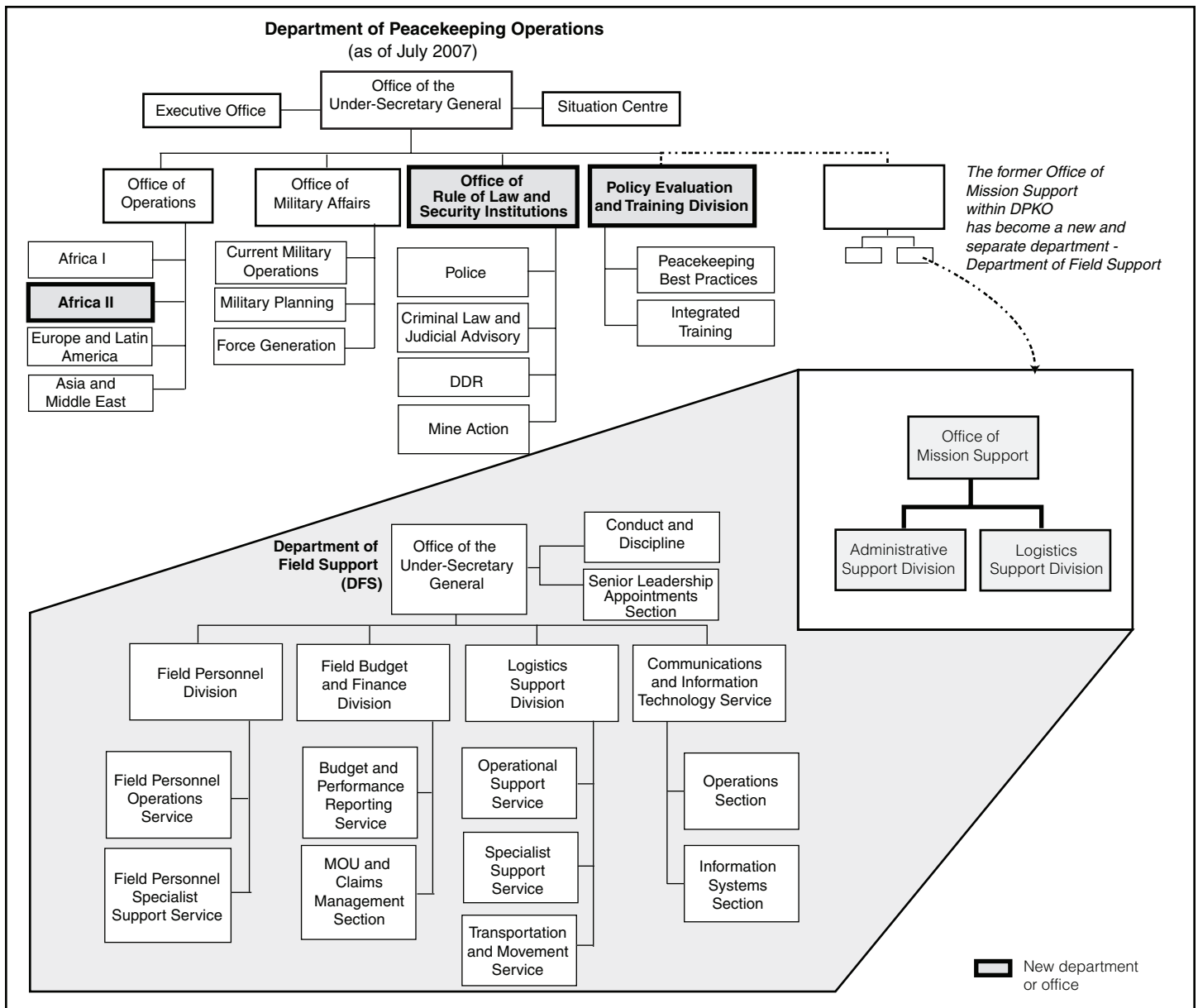
Department of Management and DFS officials expressed opposing views on how to resolve the issue of divided authority for field procurement. Department of Management officials stated that transferring authority and resources for procurement to DFS would weaken internal controls by including the field requisitioning and procurement functions within the same department. These officials also said that the procurement division within the Department of Management should be given overall responsibility for all UN procurement, including in the field. DFS officials, however, stated that they should be provided the authority and staff to conduct field procurement. These officials said that procurement procedures need to be improved to reflect the realities of conducting procurement in the field. They pointed out that expediting field procurement was central to the Secretary-General's peacekeeping reform, and the continuation of the status quo on field procurement raises the question of why DFS was created. Some chief procurement officers said a decision should be made as soon as possible but did not express an

opinion about which department should be given overall responsibility for field procurement.

Restructuring of DPKO and DFS Is Largely in Place, but Member States Have Raised Several Concerns

As of August 2008, the reorganization of peacekeeping management is largely in place, including the co-location of staff from the Departments of Peacekeeping Operations and Field Support and new offices for both departments. Co-location included moving offices and staff of both departments to adjacent locations within the UN so that they could work together on common issues. DPKO also established new offices such as the Office of Rule of Law and Security Institutions, which consolidated the existing police, justice, corrections, mine action, and disarmament and demobilization units. This new office is intended to be more comprehensive in helping reform a country's police and military and developing its courts and judiciary. One element of the reorganization that is still in process is the development of the Integrated Operational Teams within DPKO. These teams, which are intended to improve coordination between UN departments in planning, deploying, and supporting peacekeeping operations, were approved by the General Assembly in 2007, but are not fully established. DPKO planned to have seven teams—made up of political, military, police and support specialists—operational by March 2008. As of June 2008, the team for the joint United Nations/African Union Mission in Darfur is the only one that is fully operational. Figure 3 highlights the reorganization's major changes to the organizational structures of DPKO and DFS.

Figure 3: Reorganization of DPKO and DFS



Source: GAO analysis.

Although UN officials have told us the restructuring of the Departments of Peacekeeping and Field Support is mostly in place, some member states are concerned that the newly established Under Secretary-General of DFS

reports to and takes direction from the Under Secretary-General of DPKO for matters related to DPKO-managed field operations. The Secretary-General intended this organizational structure to ensure cooperation and integration between the two departments. However, the General Assembly specified that this arrangement, with one Under Secretary-General subordinate to another, was not to set a precedent. The UN Advisory Committee on Administrative and Budgetary Questions (ACABQ), as well as several of the representatives from individual member states that we spoke to, expressed concern over the feasibility of this arrangement, given that it is both new and unique within the UN.

The ACABQ has raised concerns about the Secretary-General's proposal to strengthen DPKO's Office of Military Affairs. The Secretary-General reported that the office lacked the rank, capacity, and specialist capabilities to successfully fulfill the functions of a strategic military headquarters for peacekeeping operations in routine and crisis situations. In March 2008, the Secretary-General proposed to expand the Office of Military Affairs by 92 positions, upgrade it with higher-ranking military officers, and expand its functions. The ACABQ reviewed the Secretary-General's proposal, and although it did support additional strengthening of the office, it did not recommend approval. The ACABQ reported that the Secretary-General had not substantiated the challenges faced by the Office of Military Affairs with relevant data and did not submit the proposal as part of a comprehensive budget for peacekeeping support. The General Assembly subsequently approved 45 new posts and requested the Secretariat to further report on the strengthening and restructuring of the Office of Military Affairs.

Recruitment of Additional Staff Is Proceeding, but Senior-Level Turnover Has Raised Concerns

As of August 2008, a UN official informed us that 134 of the 152 new staff positions authorized by the General Assembly for DPKO and DFS had been selected. However, the departments had established a goal to fill all of the newly-created positions by March 2008. A DPKO official informed us that the hiring of staff has taken longer than expected because of the UN's lengthy hiring process. Filling positions at the senior level is a particular concern because the restructuring is being completed while the UN is expanding peacekeeping missions. In addition, new Under Secretaries General for both DPKO and DFS were just appointed in June 2008 and March 2008, respectively. According to the UN, DPKO has 26 senior staff positions with 7 of them not filled by permanent appointees, and DFS has 15 senior staff positions with 5 not filled by permanent appointees. Key positions that are vacant or are temporarily filled include DPKO's Chief of Staff (who ensures coordination between DPKO and DFS and oversees the

implementation of the restructuring, among other activities), the principal officers of both Africa divisions, and DFS's Director of Logistics Support, according to a UN official. In addition to these positions, DFS reported that the Assistant Secretary-General for Field Support and the Chief of Transport and Movement vacated their posts in late August 2008.

The UN Advisory Committee on Administrative and Budgetary Questions (ACABQ) has raised concerns that the vacancies and the many new appointees are likely to have a major impact on the performance of the two departments. According to the ACABQ, it is unclear how these vacant positions, as well as the limited amount of time the newest senior appointees have been in their positions, will affect the restructuring implementation. DFS officials disagreed with the ACABQ's assessment because, in their view, the mid-level staff are experienced and will provide continuity despite senior management changes. Moreover, the duties of many of the vacant senior level positions are being carried out by experienced staff, who temporarily fill these positions, according to UN officials.

Peacekeeping Procurement Reforms Are Proceeding, but Have Not Addressed Some Previously Identified Concerns

The United Nations has made some progress in implementing procurement reforms, but has not resolved continuing concerns in areas such as developing career paths for procurement officers in the field. Reforms have included policies to strengthen internal controls—including the expansion of financial disclosure requirements to cover all procurement staff—and efforts to improve the procurement function, such as an expansion of training for procurement staff. However, these reforms and initiatives have not addressed some previously identified concerns, such as difficulties in attracting and retaining field procurement staff. Chief procurement officers at peacekeeping missions raised these and other concerns as continuing challenges to conducting procurement activities in the field. See table 1 for a summary of UN procurement reform accomplishments and continuing concerns.

Table 1: Implementation Status of Procurement Reforms and Continuing Concerns

Procurement Reforms That Have Been Implemented

Policies to Improve Internal Controls

- Financial disclosure requirement
- Post employment restrictions
- Supplier code of conduct

Actions to Improve Procurement Functions

- Expanded training
- Management of vendor database
- Updates to procurement manual
- Expanded delegations for local procurement

Continuing Procurement Challenges

- Limited career development and staffing in the field
- Difficulties in attracting and retaining field procurement staff
- Difficulties in applying procurement processes in the field

Procurement Reforms That Have Yet to Be Approved or Implemented

- Independent bid protest process
- Ethics guidance for procurement staff
- Lead agency concept
- Risk assessment for field procurement

Source: GAO analysis.

Recent Reforms Have Included Policies to Strengthen Internal Controls and Actions to Improve the Procurement Function

The UN has made progress in implementing procurement reforms, in particular through the issuance of several organizationwide policies to improve internal controls. The UN also has taken steps to improve the functioning of procurement in headquarters and the field through expanded training and updates to its vendor management database and procurement manual, among other initiatives. Following a World Summit held in 2005, the UN outlined a series of procurement reform actions in 2006,¹¹ and the Procurement Division established a Procurement Reform Implementation Team to implement these reform initiatives focused on internal controls, the procurement process, and strategic management. In a November 2007 status update on these reforms, the Secretariat reported that it had implemented 35 of 74 total reform actions, including 10 of the 27 main reform deliverables.

¹¹UN General Assembly, 60th Session. *Investing in the United Nations: for a Stronger Organization Worldwide: Detailed Report; Addendum: Procurement Reform*, A/60/846/Add.5 (June 2006).

Procurement Division Has Implemented Policies to Improve Internal Controls

As part of the UN's procurement reform process, the Secretariat has initiated or revised several procurement policies intended to improve internal controls covering the overall UN procurement process.¹² Initiatives that the Department of Management's Procurement Division has implemented include the following:

- *Financial disclosure requirement for procurement staff.* In 2007, the UN expanded its financial disclosure requirements, previously only required for senior-level staff, to also cover all staff involved in procurement activities regardless of their function or grade level. These staff are required to file a disclosure or declaration of interest on an annual basis.¹³
- *Post-employment restrictions.* In 2007, the Secretary-General issued a bulletin establishing a post-employment restriction for all UN staff members participating in the procurement process. The policy prohibits former UN staff members from accepting employment or compensation from any UN contractor for 1 year following their UN employment.¹⁴
- *Supplier code of conduct.* In 2006, the UN issued a supplier code of conduct on its Web site to raise awareness of the ethical responsibility of the vendor community. It included discussions of issues such as the avoidance of conflict of interest. In 2007, the UN revised the supplier code of conduct to reflect the latest provisions on post-employment restrictions.
- *Ban on gifts for Procurement Division staff.* The Procurement Division also has issued a guideline for its staff establishing zero tolerance for gifts and hospitality from UN vendors. This guideline is more stringent than the relevant provisions of the existing UN Staff Rules, which are applicable to the staff at large and allow staff to receive gifts of a nominal value, under certain conditions.

¹²The Procurement Division established a Planning, Compliance and Monitoring Section to coordinate acquisition planning, monitor compliance with procurement policies, and develop ethics programs, among other responsibilities.

¹³The Procurement Division has reported 100 percent staff compliance with the financial disclosure requirements for 2006 and 2007.

¹⁴The measure also prohibits former UN staff from acting on behalf of others in procurement-related matters for a period of 2 years following their UN employment.

UN Has Expanded Procurement Training for Headquarters and Field Staff

In 2006, we reported that the UN had not established training requirements for its procurement staff, resulting in inconsistent training levels across the procurement workforce.¹⁵ Other studies had also found that UN procurement staff lacked sufficient knowledge of procurement policies and procedures.¹⁶ The Procurement Division, in coordination with the Office of Human Resources Management and the Inter-Agency Procurement Services Office (IAPSO¹⁷), has since developed a series of training courses for headquarters and field staff that were delivered in 2007 and 2008. These training modules covered topics including the fundamentals of UN procurement, contract and supplier relations, and ethics in procurement. According to the Department of Management, a joint procurement training program provided training to over 850 staff responsible for procurement activities at various locations. Chief procurement officers at 18 of the 20 field missions told us that their mission had received procurement training recently.

However, while expressing appreciation for the training delivered in the field, 13 of the 20 chief procurement officers we interviewed stated that the UN had not established a comprehensive procurement training program for procurement staff. For example, one chief procurement officer observed that there are no benchmarks or minimum requirements for training and that it is largely driven by the availability of funds. Some chief procurement officers also emphasized to us that because of the high turnover of field procurement staff, training must continue to be offered to the field and must not be a one-time event. Several procurement chiefs also discussed a need to expand training for other mission staff involved in the procurement process—particularly requisitioners.¹⁸ In May 2008, the UN approved a Procurement Division training framework document that covers the division’s longer-term plans and objectives for procurement training. The document outlines an objective of establishing a

¹⁵In our 2006 report, we recommended that the United States work with other member states to encourage the Secretary-General to establish a comprehensive procurement training program.

¹⁶For example, Deloitte, *Assessment of Internal Controls in the United Nations Secretariat Procurement Operations* (Nov. 20, 2005).

¹⁷IAPSO assists UN agencies and development projects in purchasing goods and services and has developed various procurement training courses.

¹⁸Requisitioners are staff in other mission sections, such as engineering or information technology and communications, who initiate requirements for goods and services to be acquired.

Procurement Reforms Have
also Focused on Vendor
Management and the
Procurement Manual, among
Other Initiatives

comprehensive procurement training program that covers not only procurement staff, but also requisitioning and contract management staff. However, the document does not make clear how this training will be funded.

The Procurement Division also has implemented reforms in other areas, including updating its vendor management database and its procurement manual. In 2006, we reported that the UN has had persistent difficulties in maintaining effective rosters of qualified vendors and that it had not updated its procurement manual since 2004 to reflect current UN procurement policy. The Procurement Division has taken action on the following reform areas:

- *Vendor Database Management.* In August 2007, the Procurement Division established a Vendor Registration and Management Team that has, among its responsibilities, to manage and develop the UN's database of vendors determined to be qualified to do business with the organization.¹⁹ Procurement division officials stated that the team has removed 5,000 companies with incomplete or out-of-date information from the database. In addition, these officials stated that a pilot project is under way at headquarters to streamline vendor registration requirements.
- *Procurement Manual.* The Department of Field Support established a working group composed of headquarters and field official that is focused on reviewing and updating the procurement manual. A DFS official stated that the working group's recommendations are forwarded to the Procurement Division for consideration and revision of the manual. The UN updated the manual in November 2007 and again in June 2008.²⁰ According to the UN, the manual will continue to be regularly amended to reflect best practices in public sector procurement. UN officials reported that recent changes to the manual included a more detailed discussion of the best value for money principle, among other issues.
- *Increase in HCC Threshold.* In August 2008, the UN increased the minimum threshold for procurement contracts required to be reviewed by the Headquarters Committee on Contracts from \$200,000 to \$500,000. The

¹⁹Prospective vendors must register on the UN Web site and meet certain criteria to become registered on the UN's vendor database—the United Nations Global Marketplace.

²⁰In our 2006 report, we recommended that the United States work with other member states to encourage the Secretary-General to take action to keep the UN procurement manual completed and updated on a timely basis.

UN Office of Internal Oversight Services had recommended in 2003 that this threshold be increased to \$500,000 or \$1 million in order to reduce the committee's workload and improve efficiency. Fourteen of the 20 chief procurement officers we interviewed had told us that the financial threshold for HCC's review of procurement cases should be raised. Some of these officials referred to rising prices since the \$200,000 limit was established or the decline in the value of the U.S. dollar vis-à-vis the Euro as reasons for increasing the limit.²¹

- *Procurement from Developing Countries.* UN officials stated that the organization has taken steps to increase procurement opportunities for vendors from developing countries. In November 2007, the Secretariat reported that procurement from developing country vendors increased from 41 percent of total procurement in 2004 to 55 percent in 2006. To increase procurement opportunities, the UN has conducted business education seminars in various countries to increase awareness of potential vendors about the UN procurement process.²²
- *Expanded Delegation of Authority for Local Procurement.* To address challenges to field procurement at mission start-up, the Procurement Division has expanded a list of items for which missions have increased procurement authority. These items are core requirements such as food, water, and cleaning services, which could more easily be procured locally. For these items, missions have a delegated procurement authority of \$1 million, rather than their typical \$200,000 limit for other goods and services.

UN Has Not Resolved Several Continuing Concerns over Peacekeeping Procurement

Although the UN has made progress in implementing procurement reforms from its 2006 agenda, it has not fully addressed several concerns previously raised by GAO and others. These include the need to improve career development options and conditions of service in the field in order to attract and retain qualified procurement staff, and adapt headquarters-based procurement processes to the field environment. In addition, the UN has not implemented other reforms, such as establishing an independent bid protest mechanism.

²¹UN budgets are based on U.S. dollars, but chief procurement officers told us that in some cases they purchase goods that are priced in Euros.

²²The ACABQ recently noted this progress but encouraged the Secretariat to continue to seek additional opportunities to promote procurement from developing countries.

Limited Career Development Opportunities Contribute to Difficulties in Attracting and Retaining Qualified Field Procurement Staff

The United Nations has not made progress in addressing previously raised concerns over career development opportunities in order to attract and retain staff needed for field procurement. In 2006 we reported that the UN had not established a career path for professional advancement for headquarters and peacekeeping procurement staff and that the peacekeeping procurement workforce is adversely affected by considerable staff turnover, especially in peacekeeping missions where UN staff must operate in demanding, unpredictable, and dangerous conditions.²³ GAO's *Framework for Assessing the Acquisition Function at Federal Agencies*²⁴ also states that critical success factors for acquiring, developing and retaining talent are targeted investments in people and utilizing human capital approaches targeted to meet organizational needs.

As discussed earlier, the Procurement Division has recently issued a training framework document that includes an objective to support the professional development of staff members in areas including staff mobility and career advancement.²⁵ However, 14 of the 20 chief procurement officers we interviewed stated that the UN has not established a formal career path for procurement staff. One chief procurement officer, for example, told us that there is no clarity in this area and little prospect for promotion and development, which has an impact on staff performance. Another field official said that opportunities for career development for field staff are "totally forgotten" by the UN and that when a mission closes, the staff are left wondering what will happen to them.²⁶ The UN commented that several proposals to reform human resources management are currently before the General Assembly,

²³We recommended in 2006 that the United States work with other member states to encourage the Secretary-General to establish a formal career path for procurement staff.

²⁴GAO, *Framework for Assessing the Acquisition Function at Federal Agencies*, [GAO-05-218G](#) (Washington, D.C.: September 2005).

²⁵The UN has previously discussed plans to support procurement staff in obtaining professional certification in procurement functions, but these plans have not moved forward. The new training framework states that certification is envisaged as a voluntary program, that it is the staff member's own responsibility to obtain accreditation and qualifications, and that further investigation is needed to determine financial support for certification programs.

²⁶The Department of Management acknowledged the concern of chief procurement officers that the UN has not established a formal career path for procurement and noted that the career path is governed by policies promulgated by the UN's Office of Human Resources Management.

including proposals on harmonizing conditions of service, streamlining contractual arrangements, and establishing career peacekeepers.

Overall, the UN continues to have difficulties in retaining high-quality procurement staff for sustained periods in peacekeeping missions. We previously reported that about 23 percent of procurement staff positions in peacekeeping missions were vacant in 2005, and DFS reported that the vacancy rate for field procurement missions has remained at over 20 percent from 2006 to 2008.²⁷ UN officials also told us that turnover among field procurement staff has continued to hurt the continuity of their operations and that peacekeeping missions continue to face challenges in deploying qualified, experienced procurement staff, especially during the critical start-up phase. In addition, 19 of 20 chief procurement officers expressed concerns to us about vacancies or understaffing among field procurement staff. One chief procurement officer at a large mission told us that when his mission started up there were only two temporary duty staff assigned to the procurement function and that it took 2 years for the section to reach 75 percent of its allocated staffing level. In discussing the significance of field procurement vacancies, another chief procurement officer told us that staff are pushed harder and burn out faster, and there is a heightened risk that errors will be made.

Chief Procurement Officers Continue to Cite Difficulties in Applying UN Procurement Processes and Procedures in the Field

In our 2006 report, we noted that field procurement staff operate under regulations that do not always reflect differences inherent to operating in field locations and that UN procurement rules and processes are difficult to apply in peacekeeping missions, according to UN officials, in particular during start-up. Despite the UN's efforts to improve field procurement, chief procurement officers continue to note challenges in implementing UN procurement policies and processes in the field environment. For example, 17 of the 20 chief procurement officers we interviewed identified difficulties in applying the UN's vendor registration requirements in the countries where the missions are operating. One official told us that the requirement for potential vendors to provide bank statements is impossible to meet in areas where there are no functioning banks.²⁸ Another procurement official stated that the UN vendor registration system does not take into account these circumstances on the ground, and

²⁷DFS reported to us that the vacancy rate for field procurement staff was 21 percent in September 2006, 29 percent in November 2007, and 20 percent in March 2008.

²⁸This official stated that in these situations, the mission places more weight on a company's previous work in assessing its qualifications to conduct business with the UN.

if the missions strictly followed the rules and the paperwork requirements, they would not be able to do business. As an example, this official told us that to purchase water the mission has to find an individual with a borehole. The UN official stated that this person may have a gun and a donkey, but the only paper he handles for his business is cash.²⁹ Officials in the Department of Management's Procurement Division stated that they are working to streamline vendor registration requirements, including reducing paperwork requirements for low-value contracts. The Department of Management commented that the Procurement Division is piloting a revised vendor registration process at UN headquarters that requires less formal documentation and is intended to expedite vendor registration.

Although the Procurement Division has revised and updated the procurement manual in both of the last 2 years, 15 of the 20 chief procurement officers we interviewed told us that the procurement manual should be further revised to better reflect the field procurement environment. Several chief procurement officers, for example, stated that the manual should be shortened and simplified to more clearly distinguish between policy and guidelines and that separate guidance for field procurement should be established. Another official stated that when the manual was written the operational requirements in field were not taken into account. This official added that during a war, it is not always possible to go through a long bidding process for fuel or food and that sometimes time frames need to be condensed to meet local conditions. Procurement division officials told us that a future revision and update of the manual will include a more extensive revision to reflect field concerns.

Additional Procurement Reforms Have Yet to Be Implemented

In addition to the concerns raised above, several other elements of the UN's procurement reform agenda continue to be discussed within the organization but have not yet been implemented. These include:

- *Independent Bid Protest.* We previously reported that the UN had not established an independent bid protest process, a widely endorsed control mechanism that permits vendors to file complaints with an office or

²⁹The official further stated that the missions deal with these types of constraints by following overall principles, such as assessing whether companies are ethical and capable of supplying the UN.

official who is independent of the procurement process.³⁰ Procurement division officials stated that a procedure for bid protests has been agreed to in principle but still needs to be formalized. In addition, these officials stated that a pilot project for a bid protest system in UN headquarters is planned to begin in September 2008.

- *Ethics Guidance.* A 2006 UN report on procurement reform discussed plans to issue specific guidance on ethics responsibilities for procurement staff in 2006. However, according to Procurement Division officials, these guidelines have not yet been finalized and issued.³¹ In March 2008, the ACABQ expressed its concern over the delay in issuing the ethics guidelines for procurement staff and reiterated that every effort should be made to resolve outstanding issues and issue the guidance without further delay. UN officials told us that an issue still to be resolved is whether the formal adoption of the Procurement Division's guidance on zero tolerance for gifts for procurement staff will require a change to the UN staff regulations.
- *Lead Agency Concept.* The UN also has made little progress in establishing a lead agency concept, which is intended to achieve savings and reduce duplication of work for commonly procured products, such as office supplies, information technology, and communications equipment. Under the concept a UN organization with an established contract with favorable terms and conditions would make purchases under the contract on behalf of other organizations in the UN system. In its 2006 procurement reform plan, the UN projected that implementation of the lead agency concept would take 6 to 12 months. However, UN officials stated the General Assembly has yet to approve a proposal to implement the concept. According to the Department of Management, the lead agency concept may be of limited application, given that a significant proportion of the UN Secretariat's procurement activities are in support of peacekeeping activities and which may not be required by other UN agencies.
- *Risk Assessments of Field Procurement.* In 2006, we reported that the UN lacks a comprehensive risk assessment framework for procurement

³⁰Chief procurement officers at field missions discussed with us issues to take into account if a formal independent process is established that covers field missions. For example, some officials raised questions over how a formalized protest process could impact the acquisition of goods and services critical to the functioning of peacekeeping missions.

³¹In 2006, we recommended that the United States work with other member states to encourage the Secretary-General to complete this ethics guidance.

activities.³² A UN official acknowledged that there has been little progress to report on the establishment of a risk management system. Fifteen of the 20 chief procurement officers we interviewed also told us that they had not received guidance or requirements from UN headquarters for conducting risk assessments of procurement activities.³³ One official, for example, stated that although there has been discussion within UN headquarters about risk management, no formal guidance has been issued. At the organizational level, the UN continues to develop and plan for the roll-out of an overall risk assessment framework, known as the Enterprise Risk Management (ERM) concept. The UN is planning to implement the ERM by 2010.³⁴

UNLB Provides Important Communications and Logistical Support to Peacekeeping Missions, but Its Growth Has Raised Concerns among Member States

UNLB provides several important services to peacekeeping missions, including the management of the UN's worldwide communications and information network and the rapid deployment of Strategic Deployment Stocks (SDS). In response to peacekeeping mandates, UNLB's responsibilities have increased to incorporate other services, such as training and aviation support. However, its growth over the past 5 to 6 years has raised concerns among UN member states about its expansion and future roles in peacekeeping support.

³²We recommended that the United States work with other member states to encourage the Secretary-General to develop a strategic risk assessment process for headquarters and field procurement.

³³One CPO did cite a pilot risk assessment activity that is underway at the mission. This official stated that OIOS has created a management framework for the mission that lists the risks to achieving goals of key business processes, as well as strategic, political risks, operational, and financial risks. The official further stated that this risk framework is not exclusive to procurement, but deals with all services at the mission.

³⁴The Department of Management also commented that a risk assessment of the department, including the Procurement Division, was conducted in 2008.

UNLB Provides Important Communications and Logistical Support for Peacekeeping Operations and Administers Training and Other Services to Missions

UNLB supports peacekeeping missions through the provision of several important services including the management of the UN's global communications network and the management and rapid deployment of strategic equipment to the missions when they start. In addition to these core functions, UNLB provides administrative support to six "tenant units" hosted at the base that provide services such as training and aviation support.³⁵ Services that UNLB provides to peacekeeping operations include the following:

- UNLB manages the UN worldwide communications hub that links operations between UN headquarters, UN agencies, peacekeeping missions, and a number of other field offices through e-mail, telephone, and videoconferencing. UNLB's Communications and Information Technology Service serves more than 90,000 UN staff at headquarters and at field operations.³⁶ On a yearly basis, UNLB establishes 4,000 videoconferences, processes 24 million inter-mission telephone calls, and routes 120 million e-mail messages involving headquarters and UN field missions. UNLB also maintains the UN satellite communication network and the mobile communication vehicles used in the field (as shown in fig. 4).

³⁵These offices are located at UNLB but are operationally under the direction of DPKO, UNLB is also providing support for a pilot project known as the Reference Check Unit. According to UNLB officials, preparations are underway for UNLB to provide office space and administrative support to a 25-person unit called the Standing Police Capacity (SPC) while it is awaiting deployment to the field.

³⁶For example, Communication and Information Technology Services staff provide support to the Mobile Deployable Telecommunications System (MDTS). MDTS is a vehicle fitted with equipment that allows field mission staff to communicate with UNLB and the UN's global infrastructure.

Figure 4: UNLB's Communications and Data Facilities



Source: Photographs taken by GAO during a site visit to Brindisi, Italy.

UNLB Data Center and Satellite Farm and Mobile Communication Vehicle

- UNLB provides logistical support to peacekeeping missions that are starting up by receiving, inspecting, maintaining, and issuing equipment and supplies from SDS.³⁷ SDS is composed of equipment considered vital to missions at start-up, such as computers, generators, portable offices, and vehicles. (See app. III for a list of the various components of SDS managed by UNLB.) UNLB also receives goods and equipment that have been procured directly from a manufacturer on behalf of peacekeeping missions, inspects the goods, and refits the equipment for the missions' needs, then ships them to missions. Finally, UNLB refurbishes used equipment, such as vehicles and generators, for inclusion in the UN Reserve stock for re-issuance to peacekeeping missions.
- UNLB provides administrative support services to six "tenant units" hosted at the base that provide various services and support. For example, UNLB administers training courses, seminars, and pre-deployment briefings at its on-site training facility. As part of the training function, UNLB provides the civilian pre-deployment training that new or returning

³⁷UNLB maintains several categories of SDS. Approximately, \$1.8 million are medical stocks that are stored at the vendor, not at UNLB. The Engineering Section tests and fixes generators, water purification systems, pre-fabricated units (e.g., kitchens and warehouses), and field defense (e.g., barbed wire fences). Equipment from the engineering section makes up 60 percent (approximately \$40 million) of the SDS volume.

UN staff enroll in before deploying to a mission.³⁸ According to UN officials, UNLB provided training to 2,000 staff in 2007, of which 400 were preparing to deploy to peacekeeping missions. UNLB also provides oversight of aviation safety for UNMIK, UNOMIG, and itself and develops geospatial information for missions. UNLB's Air Operations Centre provides ground support to aircraft movements and also coordinates with the UN's World Food Program to provide aviation support for humanitarian flights from Brindisi. The Geographic Information Services (GIS) Center provides mapping and support services to peacekeeping operations, in Darfur and Lebanon, for example.

UNLB Has Expanded Since 2002

UNLB has grown since 2002 in response to the growing number of peacekeeping mandates and the Secretary-General's decisions to place additional services at UNLB. Since 2002, the UN Security Council has mandated the deployment or expansion of eight peacekeeping operations and authorized a four-fold increase in the number of UN peacekeepers. From fiscal year 2002/2003 to fiscal year 2008/2009,³⁹ UNLB's budget increased from \$14 million to over \$45 million, and its staff levels increased from 130 to 264 (see table 2). As shown in table 2, UNLB has also been actively shipping SDS stocks to missions. Since 2002, when the General Assembly approved the SDS, UNLB has supported 40 operations with SDS shipments amounting to over \$300 million. This includes shipments to all new missions since 2004, the supply of operational and security materials to existing missions, and ad hoc support to operations, including the rotation of SDS.

³⁸The civilian pre-deployment training provides a uniform briefing to all staff to prepare them for deployment to the field.

³⁹The UN's fiscal year runs from July 1 to June 30 of the following year.

Table 2: UNLB’s Apportionments, Staffing Levels, and SDS Shipments from 2002 to 2008

(U.S. Dollars in millions)

Fiscal year	Apportionments	Staff	SDS Shipments
2002/2003	\$14.3	130	\$2.4
2003/2004	22.2	136	76.3
2004/2005	28.4	136	76.9
2005/2006	31.5	202	30.1
2006/2007	35.5	216	59.1
2007/2008	40.4	242	56.9
2008/2009	45.8 ^a	264	

Source: GAO analysis of UNLB data.

^a2008/2009 reflects approved budget rather than apportionment.

UNLB’s expansion since 2002 includes the administration and management of offices that support peacekeeping. In fiscal year 2006/2007, UNLB initiated its training center and Regional Aviation Safety Office, and the base’s fiscal year 2007/2008 budget initiated administrative support for the Strategic Air Operations Center, GIS Center, and the Engineering Design Unit. In 2008, UNLB will manage facilities for DPKO’s Standing Police Unit.

In July 2008, the General Assembly approved UNLB’s 2008/2009 budget, which includes an increase in staff. UNLB’s annual budget documents include performance measures and indicators of achievement relating to the management of SDS and other equipment. UNLB is meeting most of its performance indicators, which include a near 100 percent availability of its IT communications services to UN staff and a reduction in equipment receipt and inspection times, but faces some challenges in shipping this equipment to the missions. For example, UNLB has not met its goal of processing shipments of equipment within a 17-day target period, due in part to the time it takes to procure shipping contracts. While noting these challenges, the ACABQ also has recognized UNLB’s achievements in several areas, particularly its recent certifications in the International Organization for Standardization (ISO) process for excellence in supply inventory and information security management (ISO 27001).

General Assembly Requested UNLB to Clarify Its Role in Supporting Peacekeeping, in Light of Its Expansion

While the General Assembly approved UNLB's 2008-2009 budget, it endorsed the ACABQ's previous recommendation that the Secretary-General report on the role and future development of the base. In 2007 and 2008, the General Assembly and the ACABQ reported that a longer-term perspective was needed to clarify the concept and functions of UNLB, and the basis for placing certain functions at the base. The General Assembly endorsed the recommendation that the Secretary-General report in the 2009-2010 budget proposal on UNLB's roles and future development.

The ACABQ also raised several specific issues about UNLB's new services. In 2007, and subsequently in 2008, the ACABQ requested analyses of the function of the GIS Center and the Engineering Standardization and Design Center, stressing the need for the GIS Center to clarify its goals, resources and roles. For the Engineering Center, the ACABQ saw a need for determining what efficiency and productivity gains would be achieved by establishing the unit at UNLB. In 2008, the ACABQ also emphasized that a forthcoming report on training strategy should provide an analysis of the optimum venues and conditions for training, including training that may be more effective if provided regionally. The ACABQ also recommended that the Secretary-General clarify reporting lines between the "tenant units," UNLB, and UN headquarters.

In response to the ACABQ's concerns, endorsed by the General Assembly, the Secretary-General stated that support for establishing logistics functions at UNLB would be based on analysis of projected costs and overhead weighed against potential benefits, including savings and productivity gains. To clarify UNLB's future strategy, the Department of Field Support and UNLB are developing a 5-year plan that is to be incorporated into UNLB's 2009-2010 budget. According to UNLB officials, the plan is expected to show UNLB expansion possibilities as well as refurbishment of infrastructure requirements for the next 5 years. They said one factor that could change UNLB's role is a decision by the General Assembly to shift field procurement authority and responsibility to DFS. According to the head of DFS's Logistics Division, if DFS were given more responsibility for field procurement, UNLB could play a greater role in procuring for, managing, and monitoring the UN's worldwide contracts for goods and services.

Conclusion

Management reforms needed to cope with the dramatic growth of peacekeeping are incomplete. Reforms to restructure peacekeeping management and strengthen procurement are still being discussed by the Secretariat and member states, but have not been resolved. In addition, the

UN is in the process of clarifying long-term plans for the UN logistics base. Central to resolving these issues is a decision about which UN department—the Department of Management or the Department of Field Support—has authority and responsibility for peacekeeping procurement. The UN Secretariat has been unable to reach agreement on the management authority over field procurement, and as this decision continues to be delayed, the divided authority between two departments remains. UN officials and member states agree that this dual control over procurement is inefficient and ineffective and continues to expose the organization to risks.

In a 2006 report, we identified the UN's divided organizational structure for managing procurement as a vulnerability that leaves unclear which department is accountable for problems in the UN's field procurement process. In that report, we recommended that the United States work with other member states to encourage the Secretary-General to take steps such as establishing clear and effective lines of authority between headquarters and the field for UN procurement. In 2007, we further reported that due to the time and attention given to the Secretary-General's peacekeeping restructuring proposal, the General Assembly had not considered several procurement reform issues, including establishing lines of accountability, delegation of authority, and the responsibilities of the Department of Management and the Department of Peacekeeping Operations. A decision on this issue will provide direction to complete the restructuring and resourcing of the Department of Field Support, clarify lines of authority and responsibility for peacekeeping procurement, and help clarify a longer-term strategy for the logistics base. However, the UN has yet to resolve this issue.

Further progress in other procurement reform areas also is needed. While the UN has taken steps to expand procurement training and update its procurement manual, it has not made progress in establishing an independent bid protest process and continues to face difficulties in attracting and retaining field procurement staff. Continued pressure by the United States and other member states to move these and other procurement reforms forward is needed to fully address concerns that we raised in our 2006 and 2007 reports covering UN procurement.

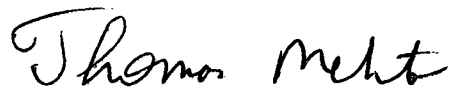
Agency Comments and Our Evaluation

The Department of State and the UN provided written comments on a draft of the report, which we have reprinted in appendixes IV and V. State agreed with the main findings of the report and agreed that much work remains in the UN's ongoing process to restructure and strengthen its organization for peacekeeping management. State commented that it

would draw upon our findings in its continuing discussions with the UN. The UN commented that the report was a generally accurate reflection of the current situation. State and the UN also provided technical comments, which we addressed in the report as appropriate.

We are sending copies of this report to interested congressional committees; the Secretaries of State and Defense; and the United Nations. We will also provide copies to others on request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staffs have any questions about this report, please contact me at (202) 512-9601 or melitot@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in app. VI.



Thomas Melito
Director, International Affairs and Trade

Appendix I: Objectives, Scope, and Methodology

Our review focused on three objectives related to the management of peacekeeping operations: (1) the status of restructuring and strengthening peacekeeping management, including the authority for field procurement; (2) the status of reforms to address previously identified problems with peacekeeping procurement; and (3) UN Logistics Base's (UNLB) support of peacekeeping operations and its recent expansion.

To assess the status of restructuring and strengthening peacekeeping management, we reviewed UN documents, including the Secretary-General's peacekeeping restructuring proposal, restructuring status reports, Department of Peacekeeping Operations (DPKO) and Department of Field Support (DFS) documents, General Assembly (GA) resolutions, Advisory Committee on Administrative and Budgetary Questions (ACABQ) reports, Office of Internal Oversight Services (OIOS) reports, and other UN documents. We also reviewed previous GAO reports. We also used a framework that is widely accepted in the international audit community and has been adopted by leading accountability organizations, including the International Organization of Supreme Audit Institutions, the U.S. Office of Management and Budget, and GAO.¹ This framework includes the following elements of internal control: (1) the control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring. In addition, we conducted interviews at UN headquarters in New York, with officials from the Office of the Secretary-General, DPKO, DFS, OIOS, and the Procurement Division (PD). We also met with officials at the U.S. Mission to the United Nations and with representatives of the ACABQ and with individual UN member states, including leading contributors to the UN and developing countries. In addition, we conducted structured interviews with chief procurement officers at 20 field missions to discuss management authority for field procurement and other issues related to the DPKO/DFS restructuring. For more information on these structured interviews, see the detailed description below. In Washington, D.C., we also met with State and Department of Defense (DOD) officials.

To assess the status of peacekeeping procurement reforms, we reviewed UN documents, including UN Secretariat reports on the status of procurement reforms, PD and DFS documents, ACABQ reports, OIOS reports, and other documents. We also collected data on UN field

¹Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control—Integrated Framework* (September 1992).

procurement and on procurement staff vacancies. In addition, we reviewed previous reports and the internationally accepted internal control framework referred to above.

In addition, we conducted structured telephone interviews with chief procurement officers² at 20 current peacekeeping and special political missions. For these structured interviews, we selected the population of 17 current peacekeeping missions, as well as the 3 special political missions that are led by DPKO. Besides being led by DPKO, these special political missions are also similar to the peacekeeping missions in that they have their own delegated procurement authority from UN headquarters. We did not include within our scope other special political missions that are not led by DPKO or that do not have delegated procurement authority. We selected the following 17 peacekeeping missions and 3 special political missions for our interviews:

Peacekeeping Missions

UNTSO – United Nations Truce Supervision Organization

UNMOGIP – United Nations Military Observer Group in India and Pakistan

UNFICYP – United Nations Peacekeeping Force in Cyprus

UNDOF – United Nations Disengagement Observer Force

UNIFIL – United Nations Interim Force in Lebanon

MINURSO - United Nations Mission for the Referendum in Western Sahara

UNOMIG - United Nations Observer Mission in Georgia

UNMIK - United Nations Interim Administration Mission in Kosovo

MONUC - United Nations Organization Mission in the Democratic Republic of the Congo

UNMEE - United Nations Mission in Ethiopia and Eritrea³

UNMIL - United Nations Mission in Liberia

UNOCI - United Nations Operation in Côte d'Ivoire

²At 2 of the 20 missions, a chief procurement officer was not in place during the time of our interview, and the mission's procurement section was headed by an officer-in-charge. Throughout this report we refer to the 20 officials we interviewed, collectively, as chief procurement officers.

³UNMEE's mission has since terminated.

MINUSTAH - United Nations Stabilization Mission in Haiti
UNMIS - United Nations Mission in the Sudan
UNMIT - United Nations Integrated Mission in Timor-Leste
UNAMID - African Union-United Nations Hybrid operation in Darfur
MINURCAT - United Nations Mission in the Central African Republic and Chad

Special Political Missions led by DPKO

UNAMA – United Nations Mission in Afghanistan
UNIOSIL – United Nations Integrated Office in Sierra Leone
BINUB – United Nations Integrated Office in Burundi

Our structured interview included questions on procurement reforms and processes, previous GAO findings, and issues relating to peacekeeping management and UNLB. Structured interview development involved multiple iterations in which questions were assessed methodologically for coherence, completeness, and balance. Two methodologists provided detailed input on the questions during the entire period of development. In the final phase of interview development, we pre-tested our questions with three of our initial respondents and refined our questions based on their input.

To analyze the open-ended responses to our structured interview questions, we first developed a set of summary statements to be used for reporting purposes. These summary statements were based on an inductive exercise involving an in-depth reading and comparison of responses to questions under each of the eight recommendation categories and on other issues. Second, we tested these statements on an initial set of three interviews. This test involved two analysts separately coding all of the summary statements for each of the three interviews. Most statements were coded in one of three ways: (1) positive response – the interview data corresponded to the statement; (2) negative response – the interview data contradicted the statement; (3) non-response – no reference to the statement was contained in the interview data. The two analysts met and reconciled their responses; this effort also resulted in modifications to the summary statements. Third, the two analysts used the revised statements to separately code each of the remaining 17 interviews and then met to reconcile any differences in coding. The level of correspondence between the two analysts' coding of the summary statements was very high, 89 percent. The final tallies of the analysis were obtained by counting, for each statement, the number of positive, negative, and non-responses.

Summary results of this analysis across all eight recommendation areas are provided in Appendix II.

To assess the status of procurement reforms, we also met with UN officials in New York, including officials with the Office of the Secretary-General, the Procurement Division, DFS, DPKO, and OIOS. In addition, we met with representatives of the U.S. mission to the United Nations and with representatives from the ACABQ and individual member states. In Washington, we also met with State and DOD officials.

To identify and examine the support UNLB provides to peacekeeping missions, we reviewed UN documents and reports, including budget documents, UNLB data and documents, DPKO Material Resource Plans (MRP), ACABQ reports, OIOS reports, and General Assembly resolutions. We determined that data from the UN's inventory management system are sufficiently reliable for the purposes of our report, which is to support findings concerning UNLB's support for peacekeeping operations and its expansion. We traveled to Rome and Brindisi, Italy, to meet with officials from UNLB, the UN Humanitarian Response Depot (UNHRD), and representatives of the U.S. Mission to the Rome-based UN organizations. We met with UNLB officials to gain information on UNLB's operations, responsibilities related to the management of strategic deployment stocks (SDS), and challenges with supporting peacekeeping operations. We met with UNHRD and U.S. Mission officials to discuss other UN organizations' logistics operations to support humanitarian missions. We also met with officials with the U.S. Permanent Mission to the UN in New York, as well as State officials and DOD officials in Washington, D.C. It was beyond the scope of this review to conduct an analysis of the cost-effectiveness of UNLB's location in comparison to other locations.

We conducted this performance audit from August 2007 to September 2008 in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Summary Results of GAO's Survey of Chief Procurement Officers at UN Peacekeeping Missions

The following table provides of statements derived from our structured telephone interviews with chief procurement officers (CPO) at 20 UN field missions. The statements are organized by categories that correspond to recommendations from our 2006 report on UN procurement.¹ For each statement, we list the number of respondents that provided answers corresponding to the statement (Yes), the number of respondents providing answers indicating the opposite view (No), and the number of respondents who did not provide an answer or provided an answer that was unclear. For a detailed description of our scope and methodology for these structured interviews, see appendix I.

Category/ statement	Yes	No	No answer or unclear
CPOs at peacekeeping missions identified challenges to conducting procurement activities in the field	20	0	0
<u>Lines of authority and responsibility between headquarters and the field for UN procurement</u>			
CPOs expressed confusion or uncertainties over the division of responsibilities between DFS and PD.	18	0	2
CPOs told us that lines of authority and responsibility for procurement between headquarters and the field are clear.	1	17	2
CPOs expressed challenges or difficulties stemming from the division of responsibilities between DFS and PD.	18	0	2
CPOs stated that overall responsibility for field procurement should be clarified between DFS and PD.	19	0	1
CPOs stated that DFS lacks the resources needed to sufficiently support field procurement.	9	0	11
CPOs stated that they feel like "orphans" or that they are often left on their own to make procurement decisions in isolation.	9	0	11
<u>Procurement training program and establishment of a formal career path for procurement officers</u>			
CPOs told us that their mission had received procurement training recently.	18	1	1
CPOs stated that the UN has not established a comprehensive procurement training program for procurement staff.	13	1	6
CPOs told us that the UN has not established a formal career path for procurement staff.	14	1	5
CPOs told us that their missions were not in a position to implement the Best Value for Money principle.	16	3	1
<u>Functions and workload of the Headquarters Committee on Contracts (HCC)</u>			
CPOs discussed one or more challenges associated with the HCC's review of procurement cases.	17	2	1
CPOs told us that the financial threshold for the HCC's review of procurement cases should be raised.	14	2	4

¹GAO-06-577.

**Appendix II: Summary Results of GAO's
Survey of Chief Procurement Officers at UN
Peacekeeping Missions**

Category/ statement	Yes	No	No answer or unclear
<u>Establishment of an independent bid protest process for UN vendors</u>			
CPOs discussed concerns to take into account if a formal independent bid protest were to be established for field missions.	16	1	3
CPOs told us that their missions have received few, if any, complaints from companies about the outcomes of the bidding process.	14	2	4
<u>UN procurement manual and ethics guidance</u>			
CPOs stated that their staff refer to the UN Procurement Manual as a reference tool.	14	2	4
CPOs stated that the Procurement Manual should be revised to better reflect the field procurement environment.	15	3	2
CPOs stated that UN headquarters sought their input on revisions to the Procurement Manual.	19	0	1
<u>Process for assuring that the UN is conducting business with only qualified vendors</u>			
CPOs identified difficulties in applying the UN's vendor registration requirements in the countries where the missions are operating.	17	0	3
CPOs told us that the UN's vendor registration process was unclear or that it needed to be revised.	14	1	5
CPOs told us that UNHQ provides them with information on suspended or suspect vendors.	20	0	0
<u>Risk assessment process providing reasonable assurance of systematic and comprehensive of headquarters and field procurement</u>			
CPOs stated that they have not received guidance or requirements from UN headquarters for conducting risk assessments of procurement activities.	15	3	2
<u>Monitoring of procurement activities by procurement managers</u>			
CPOs described monitoring and oversight of field procurement (by UN headquarters) as limited.	11	0	9
<u>Other</u>			
CPOs expressed concerns to us about vacancies or understaffing among field procurement staff.	19	0	1

Source: GAO analysis of structured interviews with UN chief procurement officers.

Appendix III: Components of Strategic Deployment Stocks (SDS)

SDS¹ includes vehicles, communications equipment, and accommodation, among other items. This equipment is stored and maintained at UNLB as a reserve to be used for rapid deployment to newly starting missions. The following table lists the categories of SDS managed and stored by UNLB.² The equipment is grouped into six sections: Engineering, Geographic Information Systems (GIS), Medical, Supply, Communication and Information Technology Services (CITS), and Transport.

Engineering	Supply
Maintenance Supplies	Office Furniture
Prefabricated Facilities	Office Equipment
Bridges	Accommodation Equipment
Field Supply Supplies	Fire Fighting Equipment
Spare Parts and Supplies	Refrigeration Equipment
Generators	Fuel Tanks and Pumps
Water Purification	Security and Safety Equipment
Septic Tanks	Stationary and Office Supplies
	Sanitary and Cleaning Materials
Geographic Information Systems (GIS)	Binoculars and Observation Equipment
IT Equipment	Spare Parts and Supplies
Software Packages	Uniforms, Flags, and Decals
Spare Parts and Supplies	Personal protection gear
	Rations
Medical³	
Clinic and Hospital Equipment	Transport
Medical Supplies	Ambulances
	Buses
Communication and Information Technology Services (CITS)	Forklifts and Cargo Handles
Public information equipment	Passenger, 4WD, pickups

¹The SDS information was used in one particular peacekeeping mission (UNMIT), but is typical of what can be found in SDS for other missions.

²Each category of equipment can include numerous individual items. For example, the Personal Protection Gear category, under the Supply section, includes goggles, helmets, vests, and gloves, among other items.

³UNLB does not store supplies under the Medical section on site, but manages these supplies through its medical vendor.

**Appendix III: Components of Strategic
Deployment Stocks (SDS)**

Communication equipment	Vehicle workshop equipment
IT Equipment	Other vehicles
	IT equipment

Source: United Nations.

Appendix IV: Comments from the Department of State



United States Department of State

*Assistant Secretary for Resource Management
and Chief Financial Officer*

Washington, D.C. 20520

Ms. Jacquelyn Williams-Bridgers
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

SEP -4 2008

Dear Ms. Williams-Bridgers:

We appreciate the opportunity to review your draft report, "UNITED NATIONS PEACEKEEPING: Lines of Authority for Field Procurement Remain Unclear, but Reforms Have Addressed Some Issues," GAO Job Code 320520.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Tammy Pomerleau, Management Analyst, Bureau of International Organization Affairs at (202) 736-7937.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Kaplan".

Sid Kaplan (Acting)

cc: GAO – Tet Miyabara
IO – James Warlick (Acting)
State/OIG – Mark Duda

Department of State Comments on GAO Draft Report

**UNITED NATIONS PEACEKEEPING: Lines of Authority for Field
Procurement Remain Unclear, but Reforms Have Addressed Some Issues**
(GAO-08-1094; GAO Code 320520)

Thank you for the opportunity to comment on your draft report entitled United Nations Peacekeeping: Lines of Authority for Field Procurement Remain Unclear, but Reforms Have Addressed Some Issues. The Department of State appreciates the main findings of the GAO report that recognize that much work remains in the United Nations' ongoing process to restructure and strengthen its organization for peacekeeping management.

The GAO notes that the United Nations has not established a clear line of authority for field procurement, which is fundamental to the successful conduct of peacekeeping operations. The lines of accountability and responsibility for field procurement are unclear and overlapping between the Department of Management and the newly created Department of Field Support. Furthermore, the GAO noted that progress in other procurement reform areas is needed such as addressing the difficulties in attracting and retaining field procurement staff and in applying procurement processes in the field.

While the GAO made no formal recommendations, the Department of State concurs with many of the findings in the report. The Department has been actively engaged with UN senior management and the various concerned Departments of the UN Secretariat throughout the recent restructuring of the Department of Peacekeeping Operations. We will draw on your findings in our continuing discussions with the UN on these issues.

Appendix V: Comments from the United Nations

UNITED NATIONS  NATIONS UNIES

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REFERENCE:

3 September 2008

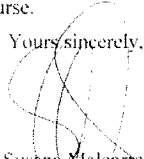
Dear Mr. Melito,

In response to your letter of 18 August 2008 to Ms. Kane and myself, I would like to thank you for providing us with the opportunity to respond with comments to the draft GAO report “United Nations Peacekeeping: Lines of authority for field procurement remain unclear, but reforms have addressed some issues”.

On behalf of the Departments of Peacekeeping Operations (DPKO) and Field Support (DFS), I am pleased to advise you that the substance of the draft report, in our view, is a generally accurate reflection of the current situation. I would, however, like to take this opportunity to offer comments and propose a number of suggested revisions, including to address a few factual inaccuracies, related to the status of restructuring and strengthening peacekeeping management; the status of procurement reforms; and UNLB’s support of peacekeeping operations. These comments are detailed in a separate document.

I trust that these comments will be helpful. Should you wish to discuss them further, please do not hesitate to contact me or my office. DPKO and DFS look forward to receiving the finalized version in due course.

Yours sincerely,


Susana Malcorra
Under-Secretary-General
Department of Field Support

Enclosure

Mr. Melito
International Affairs and Trade
Director
US Government Accountability Office

Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact

Thomas Melito (202) 512-9601 or melitot@gao.gov

Staff Acknowledgments

In addition to the contact named above, Tet Miyabara, Assistant Director, Jeremy Latimer, Sona Kalapura, Michelle Richman Su, Debbie Chung, and David Dornisch made key contributions to this report. In addition, Ashley Alley, Avrum Ashery, Jenny Chanley, Beth Hoffman Leon, Colleen Miller, and Justin Monroe provided technical assistance.

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