

UNITED NATIONS SECURITY COUNCIL



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REPORT BY THE SECRETARY-GENERAL ON THE FINANCIAL SITUATION
IN RESPECT OF THE UNITED NATIONS OPERATION IN CYPRUS, AS AT
19 NOVEMBER 1965

1. In my report to the Security Council on the financial situation in respect of the United Nations Operation in Cyprus, as at 23 September 1965 (S/5702), I indicated that there was at that time a gap of \$9,616,000 between the estimated costs to the Organization of maintaining the Force until 26 December 1965, and the amount of financial support that had been given or pledged to cover such costs. In view of that gap, I felt it necessary to state that "it will be incumbent on me, if substantial additional pledges are not received in the immediate future, to notify the Security Council and thereby indirectly also the Governments which are providing men, matériel, and services to the Force on an extra-cost reimbursement basis that there cannot be any assurance that the Organization henceforth would be in a position to fulfil the commitments it has previously undertaken to reimburse them for their extra costs".
2. In the period that has elapsed since my report of 23 September 1965, pledges of additional financial support have been received from eight Governments totalling \$2,722,500. These pledges bring the amount pledged from the inception of the Force to the date of this report, to a total of \$34,590,719, as shown in annex I.
3. The costs to the Organization of maintaining the Force from its inception on 27 March 1964, until 26 December 1965, under present arrangements and previous commitments to the Governments providing men, matériel and services to it, are estimated to total \$41.5 million, as shown in annex II. This estimate is exclusive of substantial costs which Governments providing men, matériel, and services to the Force have undertaken to bear without reimbursement. The costs which each Government contributing contingents has undertaken to bear without reimbursement are shown in annex III.

4. From the foregoing, it is apparent that there remains a gap of approximately \$6.9 million between the estimated costs of UNFICYP to the Organization for the 21-month period ending 26 December 1965, and the total amounts paid or pledged to date to meet such costs.
5. While I have again appealed to all Member Governments and to those of non-Members which have previously pledged financial support for UNFICYP, for further contributions (see S/6863), I have no reason to believe, on the basis of responses that have been forthcoming from earlier appeals, that the wide gap between requirements and resources is likely to be closed or even substantially narrowed by future voluntary contributions that may now be envisaged. There is, in fact, a serious deficit condition as of now.
6. In the light of these circumstances, I clearly have no choice now but to inform the Security Council that it is most unlikely that sufficient funds will be available from any voluntary contributions that may still come in to cover in full the expenses which, on behalf of the Organization, I have undertaken to reimburse to those Governments which are providing the men, matériel and services to the Force on an extra-cost reimbursement basis. I have already given information to this effect to the representatives of the Governments providing contingents to the Force.
7. Thus, I must now call directly and formally to the attention of the Council the hard and urgent fact that UNFICYP cannot be maintained in Cyprus without the financial means to defray its costs. Despite repeated appeals by the Secretary-General, the provision for the financing of the Force in the Council's resolution of 4 March 1964 (S/RES/186 (1964)) has not produced funds sufficient to support the Force. This financial deficiency assumes an especially serious significance in the light of the fact that within a few weeks the Council must decide on the future of the Force in Cyprus, since existing Council action (S/RES/206 (1965)), has extended it only to 26 December 1965. By all present reckoning, it appears that there will be a continuing need and demand for a United Nations Force in Cyprus beyond 26 December.

ANNEX I

AMOUNT PLEDGED TO THE UNFICYP SPECIAL ACCOUNT FOR THE PERIOD
27 MARCH 1964-26 DECEMBER 1965 AS AT 19 NOVEMBER 1965

(In U.S. dollar equivalents)

<u>Government</u>	<u>1-4th Periods</u>	<u>5th Period</u>	<u>6th Period</u>	<u>Total</u>
	<u>27 March 1964 to 26 March 1965</u>	<u>27 March to 26 June 1965</u>	<u>27 June to 26 December 1965</u>	
	\$	\$	\$	\$
Australia	411,875	100,000	200,000	711,875
Austria	160,000	-	40,000	200,000
Belgium	462,321	-	-	462,321
Cambodia	600	-	-	600
Cyprus	280,000	-	-	280,000
Denmark	300,000	75,000	150,000	525,000
Finland	25,000	-	50,000	75,000
Germany (Federal Republic of)	2,000,000	500,000	1,000,000	3,500,000
Greece	2,050,000	400,000	800,000	3,250,000
Iran	10,000	-	-	10,000
Israel	10,000	-	-	10,000
Italy	542,347	136,000	-	678,347
Ivory Coast	10,000	-	10,000	20,000
Jamaica	-	-	2,000	2,000
Japan	300,000	-	-	300,000
Korea (Republic of)	13,000	-	3,000	16,000
Lebanon	-	997	-	997
Liberia	3,000	-	-	3,000
Libya	15,000	-	-	15,000
Luxembourg	20,000	5,000	5,000	30,000
Malawi	5,590	-	-	5,590
Malaysia	2,500	-	2,500	5,000
Malta	700	280	560	1,540
Morocco	10,000	10,000	-	20,000

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<u>Government</u>	<u>1-4th Periods</u>	<u>5th Period</u>	<u>6th Period</u>	<u>Total</u>
	27 March 1964 to 26 March 1965 \$	27 March to 26 June 1965 \$	27 June to 26 December 1965 \$	
Nepal	400	-	-	400
Netherlands	438,000	105,000	-	534,000
New Zealand	42,000	-	-	42,000
Nigeria	2,800	2,200	2,800	7,800
Norway	219,190	60,035	120,070	399,295
Pakistan	2,800	-	-	2,800
Sweden	460,000	120,000	240,000	820,000
Switzerland	300,000	65,000	-	365,000
Thailand	-	-	2,500	2,500
Trinidad and Tobago	2,400	-	-	2,400
Turkey	300,000	-	200,000	500,000
United Kingdom	4,170,452	1,000,000	2,000,000	7,170,452
United States	8,600,000	2,000,000	4,000,000 ^{1/}	14,600,000 ^{1/}
Venezuela	2,000	-	1,000	3,000
Viet-Nam (Republic of)	2,000	-	-	2,000
Zambia	2,000	2,000	4,000	8,000
	<u>21,175,975</u>	<u>4,581,512</u>	<u>8,833,430</u>	<u>34,590,917</u>

^{1/} Maximum amount pledged, part of which may be dependent on contributions of other Governments.

ANNEX II

UNFICYP Cost Estimates by Major Categories of Expense for the
Period 27 March 1964 to 26 December 1964

(in thousands of U.S. dollars)

I - Operating Costs incurred by the United Nations

A. Movement of Contingents	2,055
B. Operational Expenses	5,788
C. Rental of Premises	700
D. Rations	2,450
E. Non-military Personnel, salaries, travel, etc.	1,400
F. Miscellaneous	32
Total, Part I	<u>10,425</u>

II - Reimbursement of Extra Costs to Governments Providing Contingents

A. Pay and Allowances	26,650
B. Contingent-owned equipment	4,325
C. Death and Disability Awards	100
Total, Part II	<u>31,075</u>
Grand Total, Part I and Part II	<u>41,500</u>

ANNEX III

Costs which Governments have undertaken to bear at their own expense

Australia has agreed to bear costs of basic salaries, overseas allowances, travel outside Cyprus, uniforms and equipment initially brought from Australia, and any compensation to the Australian police furnished to the Force in the event of injury or death.

Austria has assumed the costs of domestic salaries of the members of the medical and police contingents furnished to the Force. As reflected in the accounts of the Austrian Government, the domestic salaries of members of the medical contingent were A.S. 937,285.67 (equivalent to U.S. \$36,287) during the period from 13 April to 30 November 1964.

Canada has agreed to bear all costs of its contingent furnished to the Force but will request reimbursement of "out-of-pocket" expenses relating to Canadian personnel and equipment furnished to UNFICYP Headquarters and the Headquarters of the Nicosia Zone. The Canadian Government expected that the direct cost of its participation in UNFICYP for the period from 26 March to 26 December 1964 would be Canadian \$3,340,000 (equivalent to U.S.\$3,092,593), which figure excluded the cost of normal pay and allowances estimated at Canadian \$3,090,000 (equivalent to U.S.\$2,861,111).

Denmark has assumed the cost of salaries of service personnel.

Finland has assumed the cost of pay of professional personnel. As reflected in the accounts of the Finnish Government, the cost of pay to professional personnel was \$134,990 during the period from March 1964 to March 1965.

Ireland had originally agreed to bear the costs of pay and allowances including overseas allowances and per diem allowances, supplies and equipment sent from Ireland including uniforms, and any other expenses arising in Ireland. At its request, the Secretary-General has agreed to reimburse the Irish Government for all extra costs incurred after 26 June 1965 and, within the possibilities of voluntary contributions, all extra costs incurred prior to that date.

New Zealand has agreed to bear costs of pay, overseas allowances, equipment brought to Cyprus, arms, ammunition and travel outside Cyprus for its police contingent. As from 27 June 1964 the Government of New Zealand will request reimbursement for overseas allowances.

Sweden has assumed costs of pay to professional personnel, SCACYP flights, staff contributions, arrangements for staff, and remuneration to administrative personnel and other expenditures in Sweden in connexion with the organization of the contingents. As reflected in the accounts of the Swedish Government, these costs during 1964 were Swedish kronor 2,812,202 (equivalent to U.S.\$545,000).

United Kingdom has agreed to bear all costs of its contingent and UNFICYP Headquarters personnel.

In addition, the United States, United Kingdom and Italian Governments have provided some air services to UNFICYP without charge by transporting Austrian, Irish, Danish, Finnish and Swedish troops between their home countries and Cyprus.

