



Fifteenth session

UNITED NATIONS EMERGENCY FORCE: BUDGET ESTIMATES FOR THE
PERIOD 1 JANUARY TO 31 DECEMBER 1961Second report of the Advisory Committee on Administrative
and Budgetary Questions to the General Assembly at its
fifteenth sessionEstimates for 1961

1. The Advisory Committee on Administrative and Budgetary Questions has considered the budget estimates which the Secretary-General has submitted in respect of the United Nations Emergency Force for the period 1 January to 31 December 1961 (A/4396) on the assumption that the Force will be continued for that time on its present basis.
2. The estimates show a reduction of \$615,200 below the total of \$20 million approved for 1960. Part A, relating to the operating costs of the Force, indicates a decrease of \$915,200. This is offset in part by an increase of \$300,000 under Part B for reimbursement to Governments in respect of extra and extraordinary costs relating to pay and allowances and service-incurred death and disability awards.
3. The Advisory Committee is encouraged by the economies achieved in respect, particularly, of such operating expenses as the purchase, maintenance and operation of equipment; supplies and services; communications services; freight, cartage and express; and rations. Estimated costs for the Leave Centre, salaries and wages of locally-recruited staff, and travel and subsistence of non-military personnel, also show important decreases.
4. The Advisory Committee has again inquired into the position under section 9, in Part B of the budget, which relates to compensation for equipment, material and supplies furnished by Governments to their contingents. It will be recalled that a reserve of approximately \$6 million has been built up in the accounts for the

purpose of such payments which, in accordance with General Assembly resolution 1151 (XII) of 22 November 1957, would be made at the conclusion of the total period of a Government's participation in the Force. In view of the unsatisfactory cash position of the Special Account from the outset, this reserve, up to the present, has not been represented by actual cash.

5. In the 1960 budget, as in the case of the present estimates, no specific dollar amount is provided under section 9. By resolution 1441 (XIV) of 5 December 1959, the General Assembly decided, however, that if Member Governments did not avail themselves of credits deriving from the \$3,475,000 of special financial assistance which had been pledged voluntarily for the Force in respect of 1960, the amounts so released would be credited to the reserve for compensation payments. To date only a limited number of Governments have definitely renounced the credit, in whole or in part; ^{1/} some others are understood to be giving the matter serious consideration. The Advisory Committee would point out, nevertheless, that the above device would at best meet the problem only partially.

6. During the three and a half years of the existence of the Force, substantial claims for loss or deterioration of Government-owned equipment and supplies have accrued, in spite of every effort during the more recent period to keep the Organization's liabilities for such reimbursement to the lowest possible level by equipping and providing contingents as much as possible with UNEF-owned rather than contingent-owned equipment and supplies. Since many of the claims in question have not yet been received and others are in the process of being re-examined, it is difficult to present an accurate estimate of the total liability involved to date.

7. The Advisory Committee notes (see A/4396, para. 9) that, in his forthcoming annual report to the General Assembly on the Force, the Secretary-General intends to ask the Assembly to reconsider the original reimbursement policy, approved at its twelfth session, which defers reimbursements to the Governments concerned until the conclusion of the total period of service of its contingents in UNEF. Without anticipating any recommendations which the Secretary-General might make

^{1/} Australia, Belgium, the Netherlands and Norway.

in this respect, the Committee would point out that, before any settlements under this heading could be made, it would be necessary to accumulate actual cash in the reserve approved for this purpose. A mutually acceptable basis of compensation to Governments would also need to be worked out.

8. The deterioration of the over-all cash position of the Organization, principally as a result of unpaid assessments in respect of UNEF, is the subject of comment in the Advisory Committee's report on the 1961 budget estimates of the United Nations. ^{2/} The Committee also draws attention in paragraph 9 below to the unsatisfactory financial position of the UNEF Special Account, which is making it increasingly difficult for the Force to meet its financial obligations. Subject to those observations, and should the General Assembly decide on the continued functioning of the Force, the Advisory Committee would concur in the estimate of \$19,384,800 proposed by the Secretary-General, and would recommend an appropriation in that amount for the purposes of assessment. The Committee would suggest, nevertheless, that every effort should be made, in the interests of the most economical administration of the Force, particularly in view of the difficult financial situation, to keep expenditures in 1961 within a target total of \$19 million, which is slightly above actual 1959 expenses.

Cash position of UNEF Special Account

9. The Secretary-General states in paragraph 10 of his introduction to the 1961 estimates for the Force, that he will deal in his report to the General Assembly with the over-all financial situation in respect of the Force. In the meantime, the Advisory Committee has noted with concern that on 30 June 1960 there was a total of \$24,341,462 remaining unpaid in respect of UNEF assessments for the period from the inception of the Force to 1960, representing 32.4 per cent of the total assessments for that period. On the same date, unpaid UNEF liabilities amounted to more than \$18 million.

^{2/} Official Records of the General Assembly, Fifteenth Session, Supplement No. 7
(A/4408).