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UNITED NATIONS OPERATIONS IN THE CONGO:
COST ESTIMATES AND FINANCING

Thirty-fourth report of the Advisory Committee on Administrative and
Budgetary Questions to the General Assembly at its sixteenth
session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/904) in which he seeks the authority of the General Assembly to incur expenditures for the United Nations operations in the Congo (ONUC) during 1962 at the level of \$10 million per month for such period and in accordance with such financing arrangements as the General Assembly may deem appropriate.
2. In accordance with its terms of reference, the Advisory Committee has confined itself to the question of the appropriate level of cost to be provided for and the minimum period for which, from a practical point of view, the necessary authorization to incur such expenditure might be extended. In doing so, the Advisory Committee has taken into account that the Acting Secretary-General is not in a position to submit detailed cost estimates for the maintenance and operation of ONUC during 1962, and that, in his opinion, there is no sound basis for anticipating any appreciable reduction in these expenses, during the next few months, below the level of current expenditures, estimated at \$10 million per month. He is also not able to predict when the tasks given him by the Security Council and the General Assembly, including his new mandate under Security Council resolution S/5002 of 24 November 1961, will have been successfully accomplished.

3. On the question of the level of costs to be incurred, the Advisory Committee would naturally have preferred to have had the benefit of detailed cost estimates for the period beginning 1 January 1962, along the lines of those submitted for the period 1 January to 31 December 1961 in document A/4703 of 1 March 1961 and reported on by the Advisory Committee in document A/4713 of 21 March 1961. It will be recalled that, on that occasion, estimates in an amount of \$135 million were submitted for the twelve-month period. In resolution 1619 (XV) of 21 April 1961, the General Assembly approved the recommendation of the Advisory Committee, in paragraph 29 of its report, to the effect that costs for the full year 1961 might be held to a total not exceeding \$120 million, comprising \$100 million under part A (Operating costs) and \$20 million under part B (Reimbursements to Governments). The Advisory Committee also suggested that the General Assembly might wish to limit the appropriation at that stage to funds required for the period until the sixteenth session of the General Assembly. Accordingly, the General Assembly appropriated an amount of \$100 million for the ten months from 1 January to 31 October 1961. In his subsequent report of 20 October 1961 (A/4931), the Secretary-General indicated that the net result of experience during the first ten months of 1961 had been that expenses had in fact averaged approximately \$10 million per month. On that basis, the General Assembly, in its resolution 1633 (XVI) of 30 October 1961, authorized the Secretary-General to continue until 31 December 1961 to incur commitments at the latter level.

4. In the light of the evidence submitted to it, the Advisory Committee would concede that it would be difficult in existing circumstances to present detailed estimates for the period ahead. In this regard, the Committee would point out that the monthly estimate of \$10 million which has been submitted is an average figure, which takes account of the fact that there are considerable fluctuations of the expenditure level from time to time due to the fluid nature of the situation in the Congo and the need to meet emergency situations as they arise. Thus, it will be recalled that, in paragraphs 7 and 8 of his report of 20 October 1961 (A/4931), the Secretary-General indicated that, while, in the course of 1961, savings had been achieved in certain categories of expense

because the actual strength of the Force had been less than originally estimated, these economies had been substantially offset by other increases necessitated by unforeseen developments, such as the disruption of established supply arrangements through the port of Matadi during the period March to 15 June, the costs involved in connexion with the convening of the Congolese Parliament at Lovanium University, as well as the substantial build-up of United Nations air strength and an increased expenditure for arms and ammunition as a result of developments in Katanga Province. Similarly, current events are involving a temporary increase in the present size of the Force and an improvement of its weapon system to give it greater defence potential. It has also been necessary to increase further the United Nations air strength. On the other hand, the Acting Secretary-General has stated in the Security Council on 24 November 1961 that "once the current phase of disorder and secessionist threat is over, I feel that there will be a real possibility for undertaking a gradual reduction in the size of the Force, beginning, I hope, in early 1962". (S/PV.982) Thus, while it is conceivable that, during the present emergency period, costs might substantially exceed the level of \$10 million per month, barring a further deterioration of the situation in the Congo, appreciable reductions are hoped for later in 1962, enabling the proposed monthly average to be maintained.

5. In present circumstances, as outlined above, the Advisory Committee recommends that the Secretary-General be authorized to continue, beyond 31 December 1961, to incur expenditures for the maintenance and operation of ONUC at the approved current level of \$10 million per month, in accordance with such financing arrangements as the General Assembly may deem appropriate. While the period for which such provision should be made would depend on the judgement of the General Assembly, the Advisory Committee, on practical grounds, would suggest that the authorization be limited to the period preceding the earliest date on which the General Assembly can be expected to resume consideration of this important matter.

6. Particularly, in view of the fact that the Advisory Committee has only been able to consider an over-all monthly estimate, without relating it in the normal manner to a detailed cost analysis, the Committee has inquired, as before, into

the nature of administrative and financial controls which are currently being applied to ensure economy and efficiency in the civilian as well as the military sector of the operation. Bearing in mind the difficult financial position which has arisen in connexion with ONUC, maximum efforts to keep expenditures within reasonable bounds, wherever possible, would be particularly appropriate. The Committee, in a previous report (A/4713), took the opportunity to point out that, in any large-scale operation of this kind, there are a number of areas involving expenditures of considerable magnitude - such as those related to movements of contingents, purchase of equipment, operation and maintenance of vehicles and aircraft, handling and consumption of supplies, number of civilian personnel and their travel and subsistence - in which, unless the strictest control is exercised, both from the centre and in the field, avoidable expenditure may easily occur. The Committee has been informed that the size of the civilian establishment in the Congo has reached stable proportions. It has also been assured that a pattern of general controls, similar to those evolved for UNEF, has been instituted and is working as effectively as can be expected in frequently unsettled circumstances. A team of internal auditors has also been based in the Congo to maintain a running check on these procedures. The Advisory Committee trusts that such measures will continue to receive the necessary attention.
