



Security Council

Distr.
GENERAL

S/21982
7 December 1990

ORIGINAL: . ENGLISH

REPORT OF THE SECRETARIAT REVIEW TEAM ON THE UNITED NATIONS
PEACE-KEEPING FORCE IN CYPRUS

Note by the Secretary-General

As mentioned in paragraph 4 of my report of 7 December 1990 to the Security Council (S/21981), I dispatched a secretariat review team to Cyprus in November 1990 to review the operations of the United Nations Peace-keeping Force in Cyprus (UNFICYP). Its report is submitted herewith to the Security Council for its information.

Annex

Report of the Secretariat Review Team

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
INTRODUCTION	1 - 5	3
I. FUNCTIONS AND ORGANIZATION OF THE FORCE	6 - 34	4
A. Maintenance of the <u>status quo</u>	8 - 16	4
B. Economic and humanitarian activities	17 - 22	7
C. Organization of the Force	23 - 28	8
D. Observations	29 - 34	10
II. COST AND FINANCING OF THE FORCE	35 - 52	11
A. Cost to troop-contributing Governments	37	11
B. Voluntary contributions	38	12
C. Cost to the United Nations	39 - 48	12
D. Cost to the Government of Cyprus	49 - 50	14
E. Observations	51 - 52	14
III. OVERALL EVALUATION AND RECOMMENDATIONS	53 - 63	15

Appendices

I. Pledges and payments to the UNFICYP account since its inception on 27 March 1964 to 30 November 1990	19
II. Cost of UNFICYP to the United Nations and voluntary contributions received per mandate period from June 1981 to December 1990	22

INTRODUCTION

1. Pursuant to a decision by the Secretary-General, a Secretariat team was sent to Cyprus in November 1990 to undertake, in close co-operation with the Special Representative of the Secretary-General and the Force Commander, a review of the organization and operations of the United Nations Peace-keeping Force in Cyprus (UNFICYP). The Team was led by Mr. Gustave Feissel, Director in the Offices of the Secretary-General, and included Lieutenant Colonel Dermot Earley, Deputy Military Adviser to the Secretary-General; Mr. James Baldie, Chief, Logistics and Communications Section, Field Operations Division; Ms. Mignon Williams, Associate Accountant, Office of Programme Planning, Budget and Finance; and Mr. Shashi Tharoor, First Officer, Office of the Under-Secretary-General for Special Political Affairs (Secretary). The Under-Secretary-General for Special Political Affairs, Mr. Marrack Goulding, accompanied the Team at the beginning of its mission to launch its work.

2. The Team was requested to review all aspects of UNFICYP's organization and operations. It was in particular to consider the continued relevance of the functions entrusted to UNFICYP by the Security Council in resolution 164 (1964) and subsequent resolutions, to consider possible changes in UNFICYP's method of operations, such as the use of military observers, and to consider the possibility of reducing the Force's strength and making other economies.

3. The Team first met in New York in early November and was in Cyprus from 11 to 21 November 1990. Preparatory work carried out by UNFICYP and by relevant units at Headquarters included a description of the detailed organizational arrangements of UNFICYP; an examination of military, international civilian and local staffing trends over the last five years; the cost and financing of UNFICYP since 1980; the extra and extraordinary costs claimed by troop-contributing Governments over the past 10 years; and a survey of incidents along the buffer zone over the past 5 years. In addition, the Team consulted the reports of the Secretary-General to the Security Council on UNFICYP and on his mission of good offices in Cyprus. The Team also reviewed the report of the 1980 Survey Team ^{a/} which had covered similar ground and which served as the point of departure for its own endeavours.

4. At the outset of its stay in Cyprus, the Team benefited from a thorough briefing from and extensive discussions with the Force Commander of UNFICYP, Major-General Clive Milner, and his senior staff. The Team then visited the battalion and company headquarters in each of the four sectors for extensive briefings and discussions with the sector commanders and their senior staff. The Team travelled the entire length of the buffer zone, visiting selected observation posts and sensitive areas. The Team also met with the senior staff of the Support Regiment and the United Nations Civilian Police (UNCIVPOL). Consultations were held with the Special Representative of the Secretary-General, Mr. Oscar Camilion. Finally, a "brainstorming" session was held with the Force Commander and his senior headquarters and sector staff. The Review Team wishes to record its appreciation for the invaluable co-operation and assistance that was extended to it throughout its stay in Cyprus and for the open-minded and constructive spirit in which members of UNFICYP approached the review.

5. Section I of the present report is devoted to an examination of the functions of UNFICYP as mandated by the Security Council and the conditions under which these functions have to be carried out. The current situation is compared with that of 1980, when the last review was undertaken, and the current strength and organization of UNFICYP are examined in the light of its functions and the prevailing conditions. In the following section, the Team focuses on the cost and financing of UNFICYP. Specifically it examines the cost to the troop-contributing Governments and to the United Nations, it describes the efforts made in past years at cost-cutting and, finally, it assesses the current situation. In the final section, the Team makes an overall evaluation and puts forward recommendations.

I. FUNCTIONS AND ORGANIZATION OF THE FORCE

6. The mandate of UNFICYP was originally defined by the Security Council in its resolution 186 (1964) in the following terms:

"In the interest of preserving international peace and security, to use its best efforts to prevent a recurrence of fighting and, as necessary, to contribute to the maintenance and restoration of law and order and a return to normal conditions."

That mandate, which was conceived in the context of the confrontation between the Greek Cypriot and Turkish Cypriot communities in 1964, has been repeatedly reaffirmed by the Council, most recently in its resolution 657 (1990). Following the events that occurred on 15 July 1974 and thereafter, the Council adopted a number of resolutions, some of which have affected the functioning of UNFICYP and, in some cases, have required the Force to perform certain additional or modified functions relating, in particular, to the maintenance of the cease-fire. a/

7. The functions of UNFICYP in pursuance of its mandate are twofold:

(a) Maintenance of the military status quo and prevention of a recurrence of fighting;

(b) Humanitarian and economic activities to promote a return to normal conditions.

A. Maintenance of the status quo

8. Since August 1974, UNFICYP has been deployed between the cease-fire lines of the National Guard and of the Turkish and Turkish Cypriot forces. This area, known as the buffer zone, extends across the island for some 180 kilometres from the Kokkina enclave and Kato Pyrgos in the north-west to the Dherinia area in the south-east. The area between the two lines varies in width from 7 kilometres to only a few metres.

9. The functions of UNFICYP are based on the requirements of the cease-fire called for by the Security Council in 1974. In keeping with these requirements, it

is the position of the United Nations that the National Guard and the Turkish and Turkish Cypriot forces are required to remain behind their respective cease-fire lines and that neither can exercise authority or jurisdiction beyond its line.

10. The following are considered by UNFICYP to be the main categories of cease-fire violations:

(a) Any move of military elements forward of their cease-fire line into the buffer zone;

(b) The discharge of any type of weapons or explosives, without prior notification, along the cease-fire lines or up to a distance of 1,000 metres behind them;

(c) Building of new or strengthening of existing military positions within 400 m of the opposing cease-fire line;

(d) Building of new or strengthening of existing military positions more than 400 m from the opposing cease-fire line if UNFICYP considers this incompatible with the spirit of the cease-fire;

(e) Overflights of the buffer zone by military or civilian aircraft of either side;

(f) Troop deployment and training exercises in an area closer than 1,000 m from their cease-fire line without prior notification;

(g) Provocative acts between the two sides, such as shouting abuse, indecent gestures or throwing stones.

11. Strict adherence to the status quo in the buffer zone and along both cease-fire lines is a vital element in preventing a recurrence of fighting. UNFICYP seeks to maintain the status quo by permanent monitoring of the cease-fire lines and the buffer zone and by swift reaction to any violation. In order to fulfil this objective, UNFICYP maintains constant surveillance through 148 observation posts, 52 of which are manned on a 24 hour basis and the others of which are visited daily; carries out continuous air, vehicle and foot patrols; maintains surveillance of the seaward extension of the cease-fire lines; investigates and acts upon violations of the cease-fire and ensures that the status quo is restored; defuses cases of tension, especially through the prompt deployment of troops; and maintains constant liaison and communications with all command levels of the military forces on both sides. UNFICYP also monitors the status quo in the fenced area of Varosha, which has a special status.

12. A key element in considering the functions and role of UNFICYP is the fact that there is no formal agreement between UNFICYP and the two sides on the complete delineation of the buffer zone as recorded by UNFICYP, nor on the use and control of the buffer zone. As a result, UNFICYP finds itself supervising, by loose mutual consent, two constantly disputed cease-fire lines. The parties continue to this day in their attempts to establish their version of the cease-fire line through

persistent movements forward and encroachments into the buffer zone. In the prevailing climate of distrust, even minor moves on one side may be interpreted as a provocation and may prompt a reaction by the other. UNFICYP troops deployed along the buffer zone have to be fully familiar with every detail of the existing arrangements, maintain constant observation and be prepared to react should any step be taken which could be construed as a violation of the military status quo. They have to remain on constant alert for any attempt by either side to improve its military position along its cease-fire line by moving forward or any other measure that would alter the status quo, such as the strengthening of existing positions or the installation of new ones.

13. Because of this situation, UNFICYP is confronted with hundreds of incidents each year (820 during the first 10 months of 1990). Nearly 25 per cent of these were shootings, including deliberate warning shots. About 20 per cent involved encroachments into the buffer zone, and another 20 per cent the strengthening of positions near the cease-fire line. When such violations are observed, they are immediately dealt with at the local level. UNFICYP's reaction depends on the nature of the violation and may include investigation, the deployment of troops, verbal and written protests and follow-up action to ensure that the violation has been rectified or will not recur. An essential element in preventing serious escalations is to maintain constant liaison at all levels with the forces on both sides. UNFICYP's policy is to try to solve matters at the lowest possible level, thereby isolating and defusing small incidents before they acquire more serious military or political dimensions.

14. The task of UNFICYP is further complicated in areas where the cease-fire lines are in close proximity to each other, particularly in Nicosia and its suburbs. Tense situations often occur in places where the buffer zone is only a few metres wide and opposing forces confront each other across a narrow UNFICYP patrol track. Soldiers on both sides have been prone to deliberate acts of provocation, including shouting abuse, throwing stones and making obscene gestures. This invites retaliation in kind and can easily escalate if UNFICYP does not interpose itself quickly to calm tensions and maintain a physical presence until tempers have cooled. In past years such incidents have resulted in a number of fatalities.

15. To reduce such dangers, UNFICYP has for a number of years attempted to convince the two sides to pull their troops further back in areas where they are only metres apart. In May 1989, UNFICYP succeeded in concluding an unarming agreement with the two sides whereby they agreed to withdraw their forces from selected positions in Nicosia (S/20663, para. 14). UNFICYP is pursuing efforts to arrive at similar agreements for other areas in Nicosia and its suburbs.

16. In addition to its constant endeavours to maintain the military status quo, UNFICYP must also act to preserve the integrity of the buffer zone from unauthorized entry or activities by civilians. As a result, UNFICYP has become increasingly involved in crowd-control. Civilian demonstrations near the cease-fire line on the Greek Cypriot side have often degenerated into individual or mass attempts to enter the buffer zone with the declared purpose of crossing to the other side. Such attempts, if successful, can provoke serious incidents, as was the case on several occasions in 1989 and 1990. While the primary responsibility

for preventing demonstrators from crossing the cease-fire line rests with the civilian authorities concerned, experience has shown that UNFICYP troops and UNCIVPOL must be deployed in large numbers to prevent demonstrators from entering the buffer zone. During the first 10 months of 1990, UNFICYP troops and UNCIVPOL had to be present at 53 demonstrations. In addition, each year UNCIVPOL investigates hundreds of other incidents occurring in the buffer zone, such as unauthorized entry by civilians, traffic accidents, theft, shooting, unauthorized activities and fires.

B. Economic and humanitarian activities

17. The second function entrusted to UNFICYP by the Security Council is to promote a return to normal conditions. Towards this end it carries out a number of economic and humanitarian activities. The economic activities are largely concerned with agriculture and industry inside the buffer zone and with public utilities that cross the buffer zone. The humanitarian activities are largely concerned with Greek and Turkish Cypriots living in the other community.

18. A major means which UNFICYP employs to promote the restoration of normal conditions is to encourage and facilitate the resumption of farming in the buffer zone, which covers about 3 per cent of the island and includes some of the most valuable agricultural land. Farming and other economic activities in the buffer zone are allowed, provided that ownership can be proven and that the activities present no security threat to either side or to UNFICYP. Farming permits are issued to proven owners of land, the great majority of whom are Greek Cypriots. As a result of active UNFICYP policy, farming has now been extended to almost the limit of available land. To take into account the security requirements of the two sides as well as the safety of the farmers, UNFICYP has drawn up farming security lines to delimit the farming area within the buffer zone (up to 400 m from the cease-fire line of the other side). In areas that have proven to be contentious, farmers from either community are escorted by UNFICYP troops on a daily basis. To prevent violations of UNFICYP's farming regulations and to deal with incidents that may raise tensions or endanger the lives of the farmers, UNFICYP must keep the farming area under constant supervision from observation posts or through patrols. In addition to agricultural activities, there are in the buffer zone a number of industries, mines and quarries that have been reactivated with UNFICYP support. Here also frequent patrolling is necessary to ensure that conditions are met and incidents avoided.

19. Another important function of UNFICYP concerns public utilities, particularly in the sensitive sectors of water and electricity. Electric power in the northern part of the island is supplied by the southern part. Water sources originating on one side or the other flow across the cease-fire lines and sometimes back, criss-crossing the buffer zone. UNFICYP therefore has a major responsibility in patrolling the lines and pipes, as well as in helping to maintain them, to resolve disputes over the allocation of water or electricity and in providing liaison between the relevant authorities on the two sides.

20. UNFICYP is also active in the prevention of diseases which could originate in the buffer zone. For example, to prevent malaria, UNFICYP regularly escorts anti-mosquito spraying teams from both communities in the buffer zone, usually once every two weeks, amounting to 56 escorts a month in one sector alone. UNFICYP troops and UNCIVPOL also patrol the buffer zone to prevent unauthorized garbage and sewage disposal. UNFICYP has also had to fight fires, in one recent case bringing under control a fire that started on one side of the cease-fire line, crossed into the buffer zone and threatened to reach the other side.

21. In the humanitarian area, UNFICYP (military personnel and UNCIVPOL) discharges important functions with regard to the welfare and well-being of the Greek Cypriots and Maronites living in the northern part of the island. Similarly, UNFICYP undertakes regular visits to Turkish Cypriots residing in the southern part. In addition, UNFICYP provides support to the relief operations co-ordinated by the United Nations High Commissioner for Refugees and discharges certain functions handed over by the International Committee of the Red Cross (ICRC) at the time of the withdrawal of its delegation from Cyprus in June 1977. b/

22. UNFICYP's principal activities in the performance of its humanitarian functions, which as the figures for 1989 in parentheses indicate can be quite numerous, include permanent or temporary transfers of persons across the buffer zone (179); arranging meetings of divided families at the Ledra Palace in the buffer zone at Nicosia (7); deliveries of food, medicines, clothing and fuel to Greek Cypriots living in the northern part of the island (weekly); arranging transportation for patients in the northern part to hospitals in the southern part (231); procuring medical supplies in the south for authorities in the northern part (20); arranging visits to prisoners by family members living on the other side (16); and delivering pension and social welfare payments to Greek and Turkish Cypriots in the northern part of the island (26).

C. Organization of the Force

23. The strength and deployment of UNFICYP must obviously be based on its functions and the conditions under which it has to operate.

24. The operational elements of UNFICYP comprise a headquarters and four battalions, each responsible for a sector of the buffer zone (Denmark, the United Kingdom of Great Britain and Northern Ireland, Canada and Austria, from west to east). The current strength of the battalions is as follows: Denmark (323), the United Kingdom (320), Canada (538) and Austria (388). In addition, the United Kingdom provides a scout car squadron (107) and a support regiment (284). The United Kingdom also provides some 30 engineers for 4 periods 6 weeks each year to maintain the patrol track throughout the buffer zone. Each of these countries as well as Finland, Ireland and Sweden provide personnel for UNFICYP headquarters and the military police. Australia and Sweden provide the two UNCIVPOL contingents (20 and 18 respectively). In addition, a United Nations international civilian staff is responsible for various functions at UNFICYP headquarters. Finally, locally hired personnel from both communities work at UNFICYP and the contingent headquarters.

25. Each battalion comprises a battalion headquarters, a headquarters company, including support services, and two line companies located at separate camps. Four members of each battalion are assigned full time to economic and humanitarian functions and are supported as necessary by others. Some 40 per cent of the troops perform line functions (man observation posts, patrol), about 20 per cent provide operational support (e.g., communications, force reserve, scout car and helicopter patrols) and the remaining 40 per cent provide logistic support (e.g., first-line transport repair, administration, personnel, medical and mess).

26. UNFICYP deploys its on-line force in observation posts and mobile patrols between observation posts, particularly where the posts are not in visual contact with each other. The on-line force is backed-up by a reserve force from each of the four battalions, supplemented by a reconnaissance squadron with its headquarters and two troops located in the United Nations Protected Area in Nicosia and one troop with each of the four battalions. These forces are underpinned by support elements in each contingent and by a support regiment located at UNFICYP headquarters. The two UNCIVPOL contingents divide between them their functions in the four sectors.

27. A significant element of UNFICYP is assigned to logistic support. This consists of a Logistic and Personnel Branch at headquarters with 15 military personnel who, with the support of the civilian administration, are responsible for co-ordinating the procurement of goods, services and equipment for UNFICYP. The UNFICYP Support Regiment of 284 military personnel located at UNFICYP headquarters provides full logistic support for the United Kingdom contingent and most of the logistic support for the remainder of the Force, while the three other contingents supplement, to varying degrees, the logistic support services provided by UNFICYP. The Support Regiment includes an engineer detachment, a signal squadron, a transport squadron, electrical and mechanical workshops, an aviation squadron, an ordnance detachment and a headquarters squadron, including a medical centre. Some 449 local employees work at UNFICYP, of whom 153 are 100 per cent United Nations-funded, 162 are 30 per cent United Nations-funded and 70 per cent United Kingdom-funded and 134 are 100 per cent contingent-funded.

28. While the functions of UNFICYP and the overall situation on the ground have not changed since the review in 1980, the strength of UNFICYP has been reduced by some 400 all ranks and by 13 permanently manned observation posts. The most recent organizational change occurred in December 1987 with the departure of the Swedish battalion (353). The number of sectors were reduced from five to four. The former Swedish sector was divided between the Austrian and Canadian sectors. Austria and Canada agreed to increase the size of their contingents by 100 and 60 all ranks respectively. This resulted in a net overall reduction of about 200 military personnel. At the same time, the number of permanently manned observation posts in the buffer zone was reduced from 62 to 52.

D. Observations

29. In reviewing the functions of UNFICYP, the Team concluded that the manner in which UNFICYP carries out its functions is determined by certain salient features of the situation in Cyprus that do not exist in comparable peace-keeping operations elsewhere and that need to be taken into account when considering the organization and operation of UNFICYP.

30. In particular, there is still no formal agreement between UNFICYP and the two sides on the complete delineation of the cease-fire lines and on the use and control of the buffer zone. The parties persist in their attempts to establish their own version of the cease-fire line. In certain areas, the two sides remain dangerously close to each other. This can easily fuel incidents and tensions, which can be controlled only by UNFICYP's continuous presence throughout the buffer zone and, if necessary, the rapid deployment of troops between the two sides. The buffer zone contains five populated villages (four Greek Cypriot villages and one mixed Greek Cypriot/Turkish Cypriot village) and a variety of civilian activities are undertaken there by members of both communities. Furthermore, there are frequent civilian demonstrations close to the cease-fire line on the Greek Cypriot side, with attendant risks of unauthorized breaches of the buffer zone. These require UNFICYP to perform a significant role in crowd control.

31. In view of the circumstances described above, it was evident to the Team that the maintenance of the status quo and the prevention of a recurrence of fighting are not self-sustaining. In this respect, the assessment made in the 1980 review remains valid. The relative calm that prevails between the cease-fire lines is the result of UNFICYP's presence and efforts. The Team has no doubt that, given the prevailing conditions, an active presence by UNFICYP is necessary if its mandate is to be fulfilled.

32. The present method of presence, observation and reaction, using observation posts, observation points and checkpoints, together with regular patrolling, is an effective method of carrying out UNFICYP's mandate. The visible presence of UNFICYP remains an indispensable feature in preventing or controlling incidents that could otherwise escalate into possible hostilities. The deployment of the Force all along the cease-fire lines remains necessary to enable UNFICYP to be present where and when required.

33. The economic and humanitarian activities enable UNFICYP both to prevent incidents in the buffer zone and to promote a return to normal conditions in the buffer zone and across the cease-fire lines. Furthermore, these functions, which bring UNFICYP personnel in frequent contact with Greek and Turkish Cypriots of all walks of life, generate goodwill and understanding that facilitate UNFICYP's task in the military area.

34. Over the past 10 years the overall strength of UNFICYP and the number of permanently manned observation posts have been reduced by about 20 per cent. The Team is of the view that UNFICYP's on-line presence has been stretched as far as it can be and that no further reductions in its on-line deployment are possible without impairing its ability to implement its current functions. Unless,

therefore, the Force's mandate is changed, which the Team does not advocate, any further reduction in UNFICYP's strength should be achieved without impairing the number of troops deployed on the line. The Team returns to this point in section III below.

II. COST AND FINANCING OF THE FORCE

35. UNFICYP is the only United Nations peace-keeping operation that is not financed from assessed contributions by States Members of the Organization. In accordance with Security Council resolution 186 (1964), the costs of the Force are met by the Governments providing the contingents and by voluntary contributions received for this purpose by the United Nations. In addition, the Government of Cyprus provides at no cost areas for the headquarters, camps and other premises of UNFICYP.

36. This arrangement for financing a peace-keeping force has proven most unsatisfactory and particularly unfair to the troop-contributing countries, which have had to shoulder a disproportionate share of the cost. Not only do they absorb their share as envisaged in resolution 186 (1964), which represents about 70 per cent of the total cost of UNFICYP, but the continuous shortfall in voluntary contributions has caused the United Nations to be 10 years in arrears in paying them the sums due for reimbursement of their extra and extraordinary expenses. This unsatisfactory situation has plagued UNFICYP throughout its existence and has persistently grown worse, resulting in an ever larger deficit. At the time of the previous review in 1980 it was \$88.9 million; it is now \$174.5 million.

A. Cost to troop-contributing Governments

37. Under the existing arrangements, the troop-contributing Governments make available to the United Nations troops whose regular pay and allowances and normal matériel expenses they have agreed to pay themselves. The estimated amounts absorbed during each six-month mandate period by each of the troop-contributing Governments, as reported by them, are as follows:

(In thousands of United States dollars)

Australia	500
Austria	1 900
Canada	10 700
Denmark	650
Ireland	64
United Kingdom	<u>19 000</u>
Total	<u>32 814</u>

The above amounts include the regular pay and allowances of the troops and normal matériel expenses as well as certain extra and extraordinary costs which some troop-contributing Governments have volunteered to finance as a further

contribution to the United Nations operation in Cyprus. In addition, it should be pointed out that the United Nations, unlike in other peace-keeping operations, does not pay troops serving in UNFICYP incidental personal expenses or recreational leave.

B. Voluntary contributions

38. Appeals for voluntary contributions for the financing of UNFICYP are sent by the Secretary-General to all States Members of the United Nations or of its specialized agencies following each mandate renewal. In addition, the Secretary-General issues special appeals from time to time. Despite these efforts the contributions received consistently fall short of the funds needed by the United Nations to cover the costs for which it is responsible. As of 30 November 1990, pledges made have amounted to \$439.5 million. Since the inception of the Force, only 77 countries have pledged contributions to UNFICYP. During the past 10 years the number has dwindled to 50 (see appendix I for details).

C. Cost to the United Nations

39. The United Nations is responsible for (a) the operational costs for administrative and logistic support described in paragraph 45 below (e.g., rations, fuel, hire of vehicles, maintenance of premises, salaries and travel of non-military personnel) and (b) extra and extraordinary costs incurred by the troop-contributing Governments for which they seek reimbursement on the basis of separate agreements concluded by the United Nations with each of the troop-contributing Governments. These costs can be paid only from the voluntary contributions received for this purpose.

40. Since the inception of UNFICYP on 27 March 1964 the expenditures for which the United Nations is responsible have amounted to \$630.5 million, of which \$211.6 million represents the operational costs and \$418.9 million the extra and extraordinary expenditures claimed by troop-contributing Governments.

41. The financial position of UNFICYP from the inception of the Force in 1964 to the end of the current mandate period is as follows:

(In thousands of United States dollars)

Total costs to the United Nations		630.5
Voluntary contributions pledged	439.5	
Miscellaneous income	<u>16.5</u>	<u> </u>
Shortfall		(174.5)

42. The estimated costs of UNFICYP to the United Nations for the most recent six-month period are \$13.8 million, of which the operational costs amount to \$6.5 million and the reimbursement to troop-contributing Governments to \$7.3 million (see appendix II for comparison of voluntary contributions received and cost to the United Nations for each mandate period over the past 10 years).

43. The latest extra and extraordinary expenses claimed by the troop-contributing Governments for one six-month period are as follows:

(In thousands of United States dollars) a/

Austria	1 510
Canada	615
Denmark	5 838
Finland	157
Ireland	35
Sweden	<u>42</u>
Total	<u>8 197</u>

a/ At November 1990 exchange rates.

The United Kingdom does not claim any extra and extraordinary costs. Australia does not claim any extra and extraordinary costs for its UNCIVPOL contingent.

44. Since most of the operational costs incurred by the United Nations pertain to logistic support, the Team paid particular attention to the arrangements for logistic support and to efforts at cost-cutting.

45. The existing arrangements are as follows. The United Kingdom provides the Support Regiment and the three Gazelle helicopters that make up UNFICYP's aviation squadron. In addition, the United Kingdom contributes £1.7 million annually towards the logistic support costs incurred by UNFICYP for the remainder of the Force. The United Kingdom Support System in Cyprus also provides an arrangement whereby UNFICYP utilizes the United Kingdom's bulk purchasing system to obtain goods, services and equipment. Goods and services that are not available through United Kingdom sources or that are more competitively priced elsewhere are obtained from commercial or other sources. This arrangement has enabled UNFICYP to keep its own staff dealing with commercial procurement significantly below what would otherwise be necessary. Of the \$11.9 million operational costs incurred by UNFICYP in 1989, commercial procurement amounted to \$5.6 million and goods and services procured through the United Kingdom Support System amounted to \$6.3 million.

46. UNFICYP undertakes periodic market surveys to monitor the cost-effectiveness of goods, services and equipment purchased through the United Kingdom Support System. As a result, it was recently decided to replace a number of United Kingdom-hired all-terrain vehicles with similar vehicles rented commercially.

Similarly, following a recent review of locally hired staff, it was decided to phase out 57 positions over and above the 65 positions that were eliminated between 1980 and 1985. Another area where savings have been achieved is in utilities, particularly as a result of the introduction of solar heating systems.

47. Vehicles are a major component of the logistic support. Canada and the United Kingdom provide all vehicles for their contingents at no cost to the United Nations. Austria provides an agreed number of vehicles for which the United Nations pays the lowest locally available equivalent rate. Most of the vehicles required by the Danish contingent, as well as those required by UNFICYP headquarters, are hired by the United Nations from the United Kingdom hire system or local commercial sources. Over the years, UNFICYP has introduced a number of measures to keep the cost of hiring and operating its vehicles as low as possible. This includes the introduction of less costly and more fuel-efficient vehicles and a system of mileage allocation to all units of UNFICYP.

48. As can be seen from appendix II, UNFICYP has over the past 10 years succeeded in reducing the cost for which the United Nations is responsible from \$14.8 million per mandate period in 1981 to \$13.8 million in 1990, over a period in which inflation amounted to some 56 per cent.

D. Cost to the Government of Cyprus

49. In accordance with article 19 of the agreement concerning the status of the Force, c/ the Government of Cyprus provides without cost such areas for headquarters, camps and other premises as may be necessary for the accommodation and the fulfilment of the functions of the Force, as well as such alterations, additions or repairs as are necessary to render the areas fit for the purposes for which they are intended.

50. The Team was informed that UNFICYP was still being charged by both sides for water, electricity and garbage and sewage disposal. In this connection, it shares the view of the 1980 Survey Team that these services should be rendered to UNFICYP free of charge, bearing in mind, in particular, the extensive assistance given by UNFICYP to both sides in the upkeep of those services in various parts of the island (see para. 19 above).

E. Observations

51. It is evident that the present method of financing UNFICYP is most unsatisfactory. Even though the troop-contributing Governments absorb most of the costs of UNFICYP, voluntary contributions have consistently proven insufficient to cover the costs for which the United Nations is responsible. Despite persistent efforts by the Secretary-General to appeal for more voluntary contributions, the amount received over the past 10 years has decreased, as has the number of Governments that make contributions. There is no reason to believe that this situation will improve and that voluntary contributions can become a viable means of financing the United Nations share of UNFICYP costs. If UNFICYP had not

succeeded over the past 10 years in reducing the costs for which the United Nations is responsible, the deficit would have increased at an even more rapid pace. At the same time, it should be recognized that the cost-cutting measures implemented over the past years have stretched UNFICYP to the limit and therefore it cannot be expected that further savings are available from this source.

52. The Team is of the view that this situation should not be allowed to persist. Apart from its inequity, it could jeopardize the very existence of the Force. The departure of the Swedish contingent in 1987 was in large measure due to UNFICYP's financial crisis. Recently, Denmark has indicated that it is considering the withdrawal of its contingent for similar reasons. In this connection, the Team can only echo the Secretary-General's repeated appeal that the method of financing the portion of UNFICYP costs for which the United Nations is responsible be changed so that in the future it is financed from assessed contributions. It would also be important for all Member States, in particular those that have not made voluntary contributions in recent years and those that are in a position to increase their contributions, to do so in order to help to defray the outstanding amounts due to the troop-contributing Governments since 1981.

III. OVERALL EVALUATION AND RECOMMENDATIONS

53. In considering the options for altering UNFICYP's operation and organization, the following findings described above should be kept in mind:

(a) The functions of UNFICYP (maintenance of the status quo and prevention of a recurrence of fighting, and the promotion of a return to normal conditions) remain valid and necessary;

(b) Because of the absence of agreement between UNFICYP and the two sides, the maintenance of the status quo and the prevention of a recurrence of fighting are not self-sustaining. The visible presence of the Force and its deployment all along the buffer zone remain necessary to enable UNFICYP to be present where and when required;

(c) While the functions and tasks of UNFICYP and the conditions under which it has to operate are the same as in 1980, the number of permanently manned observation posts has been significantly reduced and has reached the minimum acceptable level. The number of on-line troops necessary to man the permanent and temporary observation posts, checkpoints, patrols, etc. could not be reduced any further without impairing the Force's ability to carry out the necessary functions arising from its mandate;

(d) UNFICYP's current reliance on voluntary contributions to finance the costs for which the United Nations is responsible will jeopardize its future and should be changed to assessed contributions;

(e) The cost-cutting measures implemented by UNFICYP over the past 10 years have reached their limit. Any further cuts could impair the effectiveness of the Force.

54. In the light of these findings, the Team examined, with the Force Commander and his staff, several possible changes in UNFICYP's method of operations that might result in economies without undermining its ability to carry out its necessary functions. In particular, the Team considered two possibilities: replacing all or part of the Force's infantry battalions with military observers; and reducing the number of sectors, and therefore of battalions, from four to three.

55. It will be clear from the foregoing description of UNFICYP's operations that much of its effort is devoted to observation. Indeed, its most labour-intensive function is to maintain 24-hour observation of the cease-fire lines and the buffer zone, using permanently manned observation posts, temporarily manned observation points, checkpoints and mobile patrols by foot, vehicle or helicopter. The question that the Team addressed was whether all or part of this observation function could be more economically carried out, without unacceptable loss of operational efficiency, by United Nations military observers rather than by infantry personnel as at present.

56. In addressing this question, the Team had in mind two existing peace-keeping operations that might provide models for a revised UNFICYP operation. The first was the United Nations Iran-Iraq Military Observer Group (UNIIMOG) which, apart from support personnel, consists entirely of unarmed United Nations military observers, most of them in the rank of captain or major. UNIIMOG does not maintain observation posts but carries out its mandate of monitoring the cease-fire between the Islamic Republic of Iran and Iraq by means of mobile patrols and liaison with the two sides. It uses the techniques of persuasion and negotiation to restore the status quo when it learns, from its own observations or from complaints by one of the parties, that a cease-fire violation has occurred. The second possible model was the United Nations Disengagement Observer Force (UNDOF) which is deployed between the forces of Israel and the Syrian Arab Republic on the Golan Heights in the Syrian Arab Republic. UNDOF is an infantry force to which is attached a group of United Nations military observers, known as Observer Group Golan. The United Nations military observers man a number of observation posts from which they watch for any violations of the status quo, including especially any unauthorized activities in the area of separation agreed between the two sides. If a violation is observed, the United Nations military observers call upon one of UNDOF's infantry units to investigate and deal with the matter.

57. If an unarmed observer mission is to be able to monitor a cease-fire and control a buffer zone, certain requirements must be met. There must be clear agreement between the parties about the delineation of the cease-fire lines and established rules about what is and is not permitted under the cease-fire. The cease-fire lines should be sufficiently far apart to reduce the risk of provocative actions leading to an unplanned resumption of hostilities. The observers should have freedom of movement behind the cease-fire lines and should enjoy the full co-operation of the parties, including acceptance of their decisions in disputed cases. Above all, the situation must be one in which intervention and negotiation by unarmed military observers will be sufficient to control any local rise in tension, without there being a need for the United Nations to interpose itself physically between the two sides.

58. Those requirements are not fulfilled in the current situation in Cyprus. There is no clear agreement between the two sides about the complete delineation of the cease-fire lines or about what is permitted under the cease-fire. The cease-fire lines are in some places extremely close to each other. As part of its mandate, UNFICYP encourages the resumption of economic activity in the buffer zone, but because of the intense distrust between the two sides, this activity has to be carefully controlled by UNFICYP to ensure that it does not lead to incidents. These facts require UNFICYP not only to be able to observe incidents that could lead to a resumption of hostilities but also to carry out the preventive function of deploying, very rapidly, armed troops to occupy the ground between the two sides when an incident threatens to get out of control. In the Team's view these considerations rule out the option of turning UNFICYP into an observer mission.

59. The alternative option of dividing UNFICYP's functions between the infantry and military observers was also examined. The Team considered whether savings could be made by retaining UNFICYP's infantry presence in the areas of greatest tension, especially Nicosia and its suburbs, but relying on United Nations military observers in at least some of the rural areas where incidents have been comparatively few. In such areas, the United Nations military observers would man observation posts and conduct mobile patrols and would call on Force headquarters to provide reinforcement if needed. This is in fact very close to what UNFICYP is doing at present. The difference is that the observation posts are manned by private soldiers and non-commissioned officers, who are present in sufficient strength at each post to be able to deploy an armed patrol as soon as they observe an incident in their vicinity. On the UNDOF model, on the other hand, the observation posts would be manned by only two unarmed captains/majors, who would often be able only to report the incident, would lack the capacity to resolve it themselves and would have to call up assistance from elsewhere. Moreover, given the reluctance of the two sides in Cyprus to accept the cease-fire lines and their propensity to try to change them, the Team was of the view that there would be a risk that this reduction in UNFICYP's capacity to react quickly could lead to an increase in incidents in areas which, thanks to UNFICYP's presence, had previously been calm. The Team does not therefore recommend this option.

60. The other main option examined by the Team was the possibility of reducing the number of infantry battalions from four to three. As already described, the Team had come to the conclusion that the present strength on the line could not be reduced without seriously impairing UNFICYP's ability to carry out its mandate. Experience in other peace-keeping operations, however, has shown that important savings can be achieved by increasing the size of battalions and thus improving the ratio of line troops to support troops.

61. The Force Commander agreed with the Team that the concept of reducing UNFICYP from four battalions to three was viable because the headquarters and logistic support systems of the battalions that would remain would be able to support additional line troops. Under this arrangement the UNFICYP area of deployment would be divided into three sectors. The first sector would cover the western, rural part of the buffer zone, the second would cover Nicosia and its suburbs and the third would cover the eastern, rural part of the buffer zone. Each battalion would contain a headquarters company and two line companies, one of which would be

co-located with the battalion headquarters. The size of some of the line companies would have to be increased in order to avoid any reduction in the Force's strength on the line. Small adjustments might also be necessary to the composition of the line companies so that enough middle-ranking officers would be available to liaise and negotiate at the appropriate level with commanders on the two sides. This change in UNFICYP's organization would permit a net reduction of some 200 all ranks. The Team recommends that it be implemented.

62. The Team wishes to emphasize that, if this recommendation is accepted, it cannot be assumed that the Governments contributing the three battalions that would remain would be willing to make the necessary increases in their contingents while the present unsatisfactory financial arrangements for UNFICYP continue. Such an increase would require them to absorb additional costs without any improvement in the Organization's ability to reimburse them for their extra and extraordinary costs. The desirability of making the proposed change thus strengthens the case for financing the costs of UNFICYP for which the United Nations is responsible by means of assessed contributions.

63. As has been stressed throughout the present report, a major difficulty that affects UNFICYP is the absence of agreement on the cease-fire lines and on the use and control of the buffer zone, together with the continuing attempts by both sides to establish their version of the lines. UNFICYP's work would be greatly facilitated and its size and functions could be significantly reduced if a formal cease-fire agreement could be concluded, with agreed procedures for dealing with any violations and an undertaking by both sides to respect UNFICYP's control of the buffer zone. Since this does not appear possible, there are more modest steps that would reduce the number of incidents and ease tensions. One such step should be for the two sides to agree to the extension of the unmanning agreement to other parts of Nicosia and its suburbs. Another very useful step would be for the two sides to accept the UNFICYP aide-mémoire of 23 March 1989, which sets out the principles applied by UNFICYP for the maintenance of the status quo and for civilian activities in the buffer zone.

Notes

a/ Official Records of the Security Council, Thirty-fifth Year, Supplement for October, November and December 1980, document S/14275/Add.1.

b/ Ibid., Thirty-fourth Year, Supplement for April, May and June 1979, document S/13369, para. 12.

c/ Ibid., Nineteenth Year, Supplement for January, February and March 1964, document S/5634, annex I.

Appendix I

Pledges and payments to the UNFICYP account since its inception
on 27 March 1964 to 30 November 1990

(In United States dollars)

<u>Country</u>	<u>Total pledges</u>	<u>Payments received</u>
Antigua and Barbuda	500	500
Australia	3 319 889	3 319 889
Austria	5 440 000	3 190 000 a/
Bahamas	18 500	18 500
Barbados	8 500	8 500
Belgium	5 903 927	5 903 927
Botswana	500	500 b/
Brunei Darussalam	11 000	11 000
Cambodia	600	600 b/
Cameroon	28 853	28 853
Côte d'Ivoire	60 000	60 000 b/
Cyprus	8 756 359	8 756 359
Denmark	6 335 296	4 106 453 a/
Finland	1 050 000	1 050 000 a/, b/
France	172 870	172 870
Germany	31 819 411	31 819 411
Ghana	76 897	76 897 b/
Greece	25 320 311	25 320 311
Guyana	11 812	11 812 b/
Iceland	147 001	147 001
India	120 000	120 000
Indonesia	5 000	5 000
Iran (Islamic Republic of)	94 500	94 500 b/
Iraq	50 000	50 000 b/
Ireland	50 000	50 000 a/, b/
Israel	26 500	26 500 b/
Italy	10 497 030	10 497 030
Jamaica	36 533	36 533
Japan	7 240 000	7 240 000
Jordan	2 000	0
Kuwait	165 000	165 000
Lao People's Democratic Republic	1 500	1 500 b/
Lebanon	5 194	5 194
Liberia	11 821	11 821 b/
Libyan Arab Jamahiriya	50 000	50 000 b/
Luxembourg	165 903	165 903
Malawi	6 363	6 363
Malaysia	17 500	17 500
Malta	6 710	6 710

<u>Country</u>	<u>Total pledges</u>	<u>Payments received</u>
Mauritania	4 370	4 370 b/
Morocco	20 000	20 000 b/
Nepal	2 400	2 400
Netherlands	2 518 425	2 518 425
New Zealand	71 137	71 137 b/
Niger	2 041	2 041 b/
Nigeria	48 070	48 070
Norway	12 273 265	12 273 265
Oman	8 000	8 000 b/
Pakistan	71 791	71 791
Panama	1 000	1 000
Philippines	16 039	16 039
Portugal	12 000	12 000
Qatar	21 000	21 000 b/
Republic of Korea	16 000	16 000 b/
Sierra Leone	46 425	46 425 b/
Singapore	9 000	9 000
Somalia	1 000	1 000 b/
Spain	387 647	387 647
Sri Lanka	4 000	4 000
Sweden	8 645 000	6 520 000 a/
Switzerland	12 508 865 c/	12 508 865
Thailand	8 500	8 500
Togo	10 217	10 217
Trinidad and Tobago	2 400	2 400 b/
Tunisia	3 000	3 000
Turkey	1 839 253	1 839 253 b/
United Arab Emirates	30 000	30 000
United Kingdom of Great Britain and Northern Ireland	85 505 113 d/	85 505 113 a/, d/
United Republic of Tanzania	7 000	7 000 b/
United States of America	208 096 092	203 758 792
Uruguay	14 000	14 000
Venezuela	63 000	63 000
Viet Nam	4 000	4 000 b/
Yugoslavia	140 000	140 000
Zaire	32 000	32 000
Zambia	45 379	45 379
Zimbabwe	24 918	24 918
Total	<u>439 546 127 c/, d/</u>	<u>428 602 984</u>

(Footnotes on following page)

(Footnotes to appendix I)

a/ Payment has been made or will be made by means of an offset against amounts due to the Government.

b/ No contribution received since 1980.

c/ Does not include pledge of \$2,127,660 for 1991.

d/ Does not include pledge and payment of \$803,965 for 1991 recorded by means of an offset against government claims.

Appendix II

Cost of UNFICYP to the United Nations and voluntary contributions
received per mandate period from June 1981 to December 1990

(In millions of United States dollars)

<u>Mandate ending 15th of month</u>	<u>Cost estimates</u>	<u>Voluntary contributions received</u>
June 1981	14.8	9.0
December 1981	14.7	8.2
June 1982	14.6	8.7
December 1982	14.8	8.6
June 1983	14.7	8.3
December 1983	14.3	8.4
June 1984	14.0	8.3
December 1984	14.2	8.2
June 1985	13.9	8.2
December 1985	14.0	8.1
June 1986	14.1	8.2
December 1986	14.3	8.5
June 1987	14.4	7.5
December 1987	15.5	9.2
June 1988	12.6	7.7
December 1988	12.6	9.5
June 1989	13.1	7.8
December 1989	13.1	9.3
June 1990	13.8	9.1
December 1990	<u>13.8</u>	<u>4.1</u>
Total	<u>281.3</u>	<u>165.5</u>

