



Fifteenth session
Agenda item 49

SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1960

(Report of the Secretary-General, A/C.5/836)

United Nations activities in the Congo (ONUC)
for the period 14 July to 31 December 1960

Twenty-third report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its fifteenth session

Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/836), containing estimates in an amount of \$66,625,000 for the 1960 costs of the activities undertaken by the United Nations in the Congo in implementation of Security Council resolutions S/4387 of 14 July 1960, S/4405 of 22 July 1960 and S/4426 of 9 August 1960.
2. The estimates under review do not cover the costs of international financial aid towards the restoration of the economic life of the Congo and the maintenance of its public services. The latter costs are to be met from the United Nations Fund for the Congo established pursuant to General Assembly resolution 1474 (ES-IV) of 20 September 1960, and to be financed on a voluntary basis.

General comments

3. The Secretary-General states in paragraph 6 of his report that, because of the unique and complex nature of ONUC, it has not been possible at this time to forecast the budgetary requirements with precision. Among the elements of

cost which remain uncertain is the extent of claims to be received from Governments covering such important items as (a) the extra and extraordinary costs incurred by them in respect of the pay and allowances of their contingents in the Force (see para. 8 (a) below), (b) contingent-owned equipment for which reimbursement may become necessary (see para. 8 (b) below), (c) compensation for death or injury attributable to service with the Force (see para. 8 (c) below), (d) the initial airlifting of troops, equipment and supplies, and (e) the operation of that part of the regular air transport force which consists of planes placed at ONUC's disposal by a number of Governments.

4. The Advisory Committee, furthermore, notes from paragraph 4 of the Secretary-General's report that the total 1960 cost may be reduced appreciably below the present estimate of \$66,625,000 in the event that Governments which have furnished special services and facilities, especially in the form of initial airlifts, should decide to forego payment either in whole or in part. Such action has already been taken by the Government of the Union of Soviet Socialist Republics, which has notified the Secretary-General (A/C.5/837) that no charge will be presented for assistance rendered by it in the total amount of 14,649,000 roubles (\$3,662,250),^{1/} and by the Government of the United States of America which, without indicating the final amount involved, has intimated its decision to forego payment of a substantial part of the costs which it incurred in the airlifting of troops.^{2/} The Advisory Committee would draw attention to the fact that, from the point of view of budgetary treatment, such action by Governments may not in all cases lend itself to any actual reduction of the estimates under individual budget sections; it may be that the amounts involved will rather be considered as voluntary contributions to be applied towards the total over-all expenditure which will need to be met.

^{1/} Only part of the services involved are provided for in the estimates, since the latter do not reflect direct gifts to the Government of the Republic of the Congo (Leopoldville).

^{2/} The total costs incurred by the United States for this purpose are estimated at approximately \$14 million.

5. In accordance with the provisions of General Assembly resolution 1444 (XIV) of 5 December 1959 on unforeseen and extraordinary expenses in 1960, the Secretary-General had authority to enter into commitments, not exceeding \$2 million, for the maintenance of peace and security or urgent economic rehabilitation. Since implementation of the Security Council resolutions on the Congo was estimated to involve commitments considerably in excess of the above limit, the Secretary-General, in accordance with the provisions of paragraph 1 of resolution 1444 (XIV), obtained the concurrence of the Advisory Committee to incur commitments for ONUC up to a limit of \$40 million, pending financial action by the General Assembly.

6. The Secretary-General, in view of the burden which the expenditure for ONUC will impose on some Member Governments, has raised the possibility of other Governments making voluntary contributions to defray a part of the costs involved, or of other means being found to mitigate the effect of the additional financial demands on those Member States having the least capacity to pay (A/C.5/836, para. 9). In this connexion, the General Assembly will no doubt wish to consider and decide upon appropriate sources of financing of ONUC costs. The Advisory Committee would accordingly limit its further comments to the question whether and to what extent the estimates are a reasonable indication of essential costs.

Detailed examination of the estimates

7. The estimates for ONUC have been cast in the same form as those for the United Nations Emergency Force in the Middle East (UNEF). While the elements of cost fall under the same broad headings in both cases, the basis for comparison is limited by the fact that ONUC, besides being an operation of much larger size, is faced with a considerably more varied and complex task.

8. Among the elements of cost in respect of which it is expected that the UNEF pattern will be followed is the reimbursement in respect of the extra and extraordinary costs incurred by Governments providing contingents to the Force. The Advisory Committee would recall that, in terms of the arrangement approved for UNEF by the General Assembly in resolution 1151 (XII) of 22 November 1957, three reimbursable elements were established:

(a) Extra pay and allowances of contingents

Under this heading, the United Nations reimburses expenditure incurred in respect of pay and allowances over and above those costs which the Government concerned would in any event have been obliged to meet. It was agreed at the time that acceptance of this principle did not, of course, preclude any Government who chose to do so from voluntarily assuming all or part of such expenses.

(b) Supplies, material and equipment owned by contingents

In this respect, the United Nations assumes financial responsibility for the replacement of equipment that is destroyed or worn out and for such deterioration beyond that provided for under normal depreciation schedules as can be assessed at the conclusion of the total period of service of a Government's forces. In a recent report on UNEF (A/4486), the Secretary-General has proposed certain changes in these provisions whereby reimbursement would be effected at the conclusion of the period of service of any one contingent, rather than at the conclusion of the total period of service of a participating Government's forces. Moreover, in paragraphs 67 and 68 of that report, the Secretary-General specifies certain categories of materials and supplies to which the reimbursement arrangement might be limited, taking into account the capacity of the United Nations itself to provide, in large part, standard items for supply and equipping the Force. Certain definite procedures for the orderly administration and control of the equipment and supplies in question are also set forth in that report (para. 69).

(c) Compensation in respect of injury or death of members of the Force

United Nations liability under this heading is subject to the principle that, in the event of death or injury attributable to service with the Force, such personnel or their dependants would qualify for pension benefits or compensation under their own national service schemes; payments to beneficiaries would be made by the Governments concerned, which would in turn lodge claims with the United Nations. At the time this rule was enunciated, the Secretary-General further recommended^{3/} that claims of participating Governments should normally be

3/ Official Records of the General Assembly, Twelfth Session, Annexes, agenda item 65, document A/3694, para. 98.

restricted to cases of death or serious disability involving a material cost to the Government for medical costs and/or pension benefits.

9. The Advisory Committee notes that in the estimates now presented for ONUC under section IX (Reimbursement to Governments), a global provision of \$15,000,000 is made without attempting to assess separately the liabilities under the three separate categories of reimbursement. Since the extent of the claims to be received from contributing Governments has not yet become apparent, the estimate is based on UNEF experience. It is pointed out at the same time that such a comparison may not be strictly relevant because the same Governments are not involved in the provision of contingents and, consequently, there may be differences in the levels of extra pay and allowances which are paid in accordance with national regulations. In view of the magnitude of the obligations likely to accrue under this heading, the Advisory Committee trusts that, in the negotiations between the Secretary-General and the Governments concerned, full account will be taken of the principles agreed upon in the case of UNEF, allowing for the fact that the charges should, of course, be directly related to the particular circumstances obtaining in ONUC. From this standpoint, it would not be entirely realistic to base the ONUC estimate on the actual cost experience under this item in UNEF, where the level of claims for extra costs has shown considerable variation. In addition, it is too early in the case of ONUC to make even a reasonably firm forecast of the costs in this category; by the same token, the total amount of funds that will need to be obligated on a firm basis before the end of 1960 may well fall substantially below the estimate submitted. Accordingly, the Advisory Committee considers that the provision for this purpose might be held to \$10 million.

10. Another important category of costs to which the Advisory Committee has given special attention relates to movement of contingents (section 1, chapter 2). The estimate consists of \$15 million for the initial movement of contingents to the Congo undertaken by nine Member Governments, as well as an additional amount of \$250,000 for the scheduled rotation of one contingent. It has since become evident that at least one other contingent will return to its home country before the end of the year.

11. The Advisory Committee has already noted that a substantial part of costs related to the initial movement of contingents will not need to be met. In respect of the periodic movement of contingents, the Committee has been impressed by the high rate of expense to be incurred in the case of the first of the contingents to be rotated. While costs may be governed by special considerations in certain cases, the Committee trusts that all rotations will be effected by the most economical means, with full regard to all relevant circumstances, including the relative merits and feasibility of surface as against air travel.

12. The nature of the ONUC operation also requires a more extended air transport force than in the case of UNEF. Thus section III, chapter 2, shows an estimate of \$3,800,000 for a present force consisting of twenty-five heavy and twenty-four light aircraft provided by the Governments of Italy, Norway and the United States, and a number of commercially-chartered planes. Requests for additional planes are at present under consideration. The estimates are based, in the case of government-owned planes, on the assumed costs of gasoline, oil, maintenance, depreciation, inspection and handling. It is emphasized, however, that the United Nations does not yet have agreements concerning the basis on which Governments have made the planes available. The Advisory Committee recalls in this regard that UNEF air transport is provided, together with operating crews, by the Royal Canadian Air Force at agreed rates per flying hour. In the case of ONUC, air crews are provided under arrangements similar to those covering the provision of contingents. In addition, the United Nations provides such services as petrol, oil and lubrication at its own cost. While the basis of operation therefore differs from that in UNEF, it would seem desirable that an early agreement should be reached with the Governments concerned to provide for the most economical arrangements for the basis on which the planes are made available.

13. The substantially larger size of the ONUC operation, as compared with UNEF, is apparent, not only from the number of military personnel involved (an average of 20,000 men in the case of ONUC, as against an average of 5,300 in UNEF), but from the number of the civilian international staff employed in the operation (482 in ONUC, as against 126 in UNEF). The total estimate for civilian personnel under section II, including travel and subsistence costs, is in the amount

of \$3,035,000; the latter amount includes \$360,000 for local staff. With certain exceptions, such as the Consultative Group under the Chief of Civilian Operations, the estimate does not cover the considerable number of operational, executive and advisory personnel recruited or to be recruited; these latter will be charged to the United Nations Fund for the Congo, which has been established as a voluntary fund under General Assembly resolution 1474 (ES-IV).

14. As indicated under chapter 1 of section I, the daily allowance paid to members of contingents for personal and recreational needs has been fixed since 1 October at \$1.30 per man, compared with the allowance of \$0.86 cents paid in the case of UNEF. The Advisory Committee understands that the rate has been influenced by the higher cost of living in the Congo and by the fact that normal military post exchange facilities have not yet been introduced and an adequate welfare programme is yet to be started. While a downward revision of the rate is apparently not yet in prospect, the Advisory Committee trusts that the matter will be kept under review.

15. A similar course will no doubt need to be followed in the case of rations, the cost of which is now calculated on the basis of a tentative target figure of \$1.60 per man-day. The Advisory Committee recalls in this regard that in the initial stages of the UNEF operation ration costs were computed at \$2 per man-day, allowing an element for building up stocks on hand. Over a period of time, however, it proved possible, by more effective and economical methods of procurement, by implementation of improved systems of control, issuance and usage, and by a better balance of food supplies on hand, to reduce the figure to approximately \$0.80, the rate on which the 1961 estimate for ration costs in UNEF is based.

16. On the general question of administrative and financial inspection and controls, the Advisory Committee has received the assurance that a special endeavour has been made to assign to the Congo, from the outset, staff members well-equipped for their task by experience with UNEF. In the field of internal audit, several Governments have been asked to provide personnel with experience of military accounting and administration. Certain senior officers from the financial and internal audit services of the Secretariat have visited, or are

due to visit, the Congo in person to ensure that orderly procedures and proper controls are put into effect and adhered to.

17. In the preceding paragraphs, the Advisory Committee has drawn attention to a number of cost categories in respect of which the estimates are necessarily of a provisional nature. The Committee realizes that, while the final outcome may not prove favourable in all cases, there are, nevertheless, areas, notably those in which the co-operation of Governments is being sought, where the extent of costs that are actually incurred may prove to be lower than envisaged at the present time. The efforts to effect lower rates of expenditure by improved procedures and strict controls in a number of areas may also yield certain savings, although it is evident that such possibilities in 1960 are likely to be limited by the short time that remains until the end of the year. By the same token, the Advisory Committee feels that the provision of \$2,000,000 for contingencies may prove to have been too generous to cover possible additional expenditures during the remaining weeks of the year.

Recommendations of the Advisory Committee

18. The Advisory Committee accordingly recommends that the total 1960 requirements should be held to \$60 million, the reduction of \$6,625,000 from the Secretary-General's estimates to comprise \$1 million under section VIII (Contingencies), \$5 million under section IX (Reimbursement to Governments) and \$625,000 elsewhere in the estimates, at the Secretary-General's discretion. In recommending an upper limit of \$60 million, the Advisory Committee believes that the favourable outcome of negotiations with Governments on reimbursements due to them, including payments in respect of the initial airlifts, would make it possible to confine actual net obligations and expenditures in 1960 to a substantially lower figure.
