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FINANCING OF THE UNITED NATIONS OBSERVER GROUP
IN CENTRAL AMERICA

Report of the Advisory Committee on Administrative
and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Observer Group in Central America (ONUCA) (A/46/745). During its consideration of the item, representatives of the Secretary-General provided additional information to the Committee.
2. In view of the late submission of the Secretary-General's report on the financing of ONUCA, and the urgent need for the General Assembly to complete its consideration and appropriate the necessary funds for this operation, the Advisory Committee is presenting an abbreviated report on this matter that summarizes its recommendations. It is hoped that in future reports the Advisory Committee can revert to its traditional format for analysis of the Secretary-General's proposals and submission of its recommendations thereon.
3. As stated in paragraph 6 of A/46/745, assessments totalling \$82.8 million have been apportioned among Member States in respect of ONUCA for the period from inception to 7 November 1991, against which contributions totalling \$74.0 million have been received, leaving a balance due of approximately \$8.8 million. For the reasons provided in paragraphs 18 and 19 of the report, the Secretary-General recommends that no action be taken at this time in connection with the projected net unencumbered balance of \$2,188,700 as well as the interest and miscellaneous income of \$1,778,500 and that these amounts be retained in the ONUCA Special Account pending the receipt of the outstanding assessed contributions.
4. In this connection, the Advisory Committee recalls that, as shown in annex IX.A and discussed in paragraphs 17 and 18 of the Secretary-General's

report, credits amounting to \$17,337,700 gross (\$17,106,600 net) have been made to Member States thus far given the unencumbered balance.

5. In view of the cash deficit in the ONUCA account, estimated at \$4,109,000 as at 30 November 1991, as shown in annex IX.B of the report, the Advisory Committee will not object to the Secretary-General's recommendation at this time; however, it intends to review the question of crediting unencumbered balances to Member States at a later stage.

6. The Advisory Committee also does not object to the Secretary-General's proposal, as outlined in paragraphs 14 and 15 of his report to extend and apply to ONUCA the standing decision, as contained in the annex to General Assembly resolution 45/265, concerning the special arrangements for the application of regulations 4.3 and 4.4 of article IV of the Financial Regulations of the United Nations. However, the Committee also intends to examine, at a later date, the rate at which outstanding obligations in respect of all peace-keeping operations are liquidated.

7. The report of the Secretary-General includes performance reports for ONUCA for the periods from 7 November 1990 to 7 May 1991 and from 7 May to 7 November 1991. With regard to the latter period, the Secretary-General notes in paragraph 20 that "the appropriation of the amount of \$14,400,400 gross (\$13,898,800 net) authorized and apportioned in paragraph 9 of General Assembly resolution 45/247" is needed, as well as action "to offset the amount of \$5,400,400 gross (\$5,398,800 net) as credits to Member States against their assessments." In this connection, the Secretary-General recalls in paragraph 4 that, in giving its concurrence for the entering into commitments of \$14,400,400 gross for the mandate period from 7 May to 7 November 1991, the Advisory Committee recommended that \$5,400,400 gross be credited to the assessments of Member States.

8. In paragraph 12 of his report, the Secretary-General estimates the cost for the operation for the period 7 November 1991 to 30 April 1992 at \$13,082,100 gross (\$12,673,400 net). In the event that its mandate is renewed beyond 30 April 1992 and assuming continuance of its existing responsibilities, the Secretary-General estimates the costs of ONUCA to be \$2,267,700 gross (\$2,196,700 net) per month from 1 May 1992 to 30 April 1993. In this connection, the Secretary-General requests the General Assembly, at its present session, to make appropriate provision for the maintenance of ONUCA for the period beyond 30 April 1992.

9. Annexes VI and VII of the Secretary-General's report provide a summary statement and supplementary information with regard to the Secretary-General's estimate of \$13,082,100 gross (\$12,673,400 net) for the period 7 November 1991 to 30 April 1992. In this connection, representatives of the Secretary-General informed the Committee that the provision of \$25,000 for a public information campaign, included under the subheading supplies and services, should be deleted, thereby reducing the total estimate.

10. The estimate for the period ending 30 April 1992 also includes \$3,454,600 for international and local staff; as explained in annex VII, this includes not only salaries and common staff costs in respect of the 142 staff members, but also mission subsistence allowance for the 56 international staff and a provision for official travel and representation allowance. In response to inquiry, the Committee was informed that over the preceding five months, an average of four Professional, two Field Service and three local level posts were vacant. In this connection, the Committee notes from annex IV that savings were realized under this heading in the previous mandate period due to vacancies for international staff.

11. The cost estimate also includes \$720,200 for the rental, operation and maintenance of fixed wing aircraft; this compares to an estimate of \$265,100 for the mandate period 7 May to 7 November 1991. The Advisory Committee notes from annex VII that the increase relates to the provision for the rental of one twin otter aircraft beginning 1 December 1991, to replace the Dornier aircraft provided by the Government of Germany as a voluntary contribution in kind. In response to inquiry, the Committee was informed that the use of a second aircraft was considered necessary by the Chief Military Observer to fulfil the terms of the current mandate. However, the Committee was further informed that the contract for the second aircraft will be entered into only on a month-by-month basis, thereby facilitating matters in the event that requirements under this object change (see paras. 12 and 13 below). The Committee also notes that while the provision for the second aircraft covers the five-month period from 1 December 1991 to 30 April 1992, no commitments have been entered into as of 11 December 1991 for the second aircraft.

12. In considering the Secretary-General's estimates, the Committee bore in mind Security Council resolution 719 (1991) of 6 November 1991 which, in addition to extending the mandate of ONUCA, requested the Secretary-General "to keep the Security Council fully informed of further developments and to report on all aspects of the operations of the Observer Group before the expiry of the new mandate period and in particular to report to the Council within three months from the date of adoption of the present resolution, taking account of any developments in the region which indicate that the present size of the Observer Group or its future should be reconsidered." This request is in line with the Secretary-General's suggestion as contained in his report to the Security Council. 1/

13. The Advisory Committee notes that the outcome of that review may affect the operational requirements of the Observer Group. In this connection, the Committee notes from paragraph 14 of the Secretary-General's report 1/ that "patrolling on land, in the air and at sea since 7 May 1991 has been maintained at or above the levels achieved during the previous six months". However, the Advisory Committee also recalls that in his previous report 2/ the Secretary-General referred to a study undertaken on the cost-effectiveness of ONUCA's current method of operation, which took into account, *inter alia*, that ONUCA's extensive patrolling activities had not up to that point led to the detection of a single violation of the Esquipulas II undertakings. While the study concluded that ONUCA should continue to maintain a regular and

visible presence through patrolling, it also concluded that the emphasis of ONUCA's presence in the border areas should be more directly focused on liaison and the exchange of information with the security authorities of the States concerned. Bearing this in mind, the Advisory Committee is of the view that developments in the region might give rise to changes in patrolling activity, and thus to economies, particularly under the provision of aircraft.

14. In the circumstances, and bearing in mind its observations in paragraphs 9, 10 and 13 above, the Advisory Committee recommends that the General Assembly approve an estimate in the amount of \$12 million net for the period 7 November 1991 to 30 April 1992.

15. Subject to the decision to be taken by the Security Council on the renewal of ONUCA after 30 April 1992, and assuming continuance of its existing responsibilities, the Advisory Committee, bearing in mind its recommendation for the current mandate period, is of the view that requirements for ONUCA for the period 1 May 1992 to 31 October 1992 should not exceed \$12,000,000 net. On that basis, the Advisory Committee recommends that the General Assembly approve commitment authority up to the level of \$2,000,000 net per month for the six-month period beginning 1 May 1992, subject to the prior concurrence of the Advisory Committee. In approving the actual level of commitments, the Advisory Committee would take into consideration the latest information to be submitted by the Secretary-General concerning developments in the region and the consequential effects on the Group's requirements.

Notes

1/ S/23171.

2/ S/22543.
