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FINANCING OF THE UNITED NATIONS PEACE-KEEPING FORCES
IN THE MIDDLE EAST

United Nations Disengagement Observer Force

United Nations Interim Force in Lebanon

Report of the Advisory Committee on Administrative
and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financing of the United Nations Disengagement Observer Force (UNDOF) (A/46/749) and the United Nations Force in Lebanon (UNIFIL) (A/46/757). During its consideration of the items, representatives of the Secretary-General provided additional information to the Advisory Committee.
2. In view of the late submission of the Secretary-General's report on the financing of UNDOF and UNIFIL 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 only an abbreviated report on these items which summarizes its recommendations. It is hoped that in future the Advisory Committee can revert to its traditional format for analysis of the Secretary-General's proposals and submission of its recommendations thereon.

UNITED NATIONS DISENGAGEMENT OBSERVER FORCE

3. As indicated in paragraph 4 of A/46/749, assessments totalling \$956.8 million had been apportioned among Member States in respect of UNDOF and the United Nations Emergency Force (UNEF) for the period from inception to 30 November 1991, against which contributions totalling \$901.8 million have

been received. The Secretary-General states that the outstanding balance of \$55 million includes an amount of \$36 million transferred to a special account in accordance with General Assembly resolution 36/116 A, leaving an amount due of \$19 million as at 30 November 1991.

4. According to paragraph 10 of the report, the interim financial statement of 30 June 1991 for UNEF/UNDOF covering the period from 1 December 1989 to 30 November 1990 indicates that the account shows a "surplus" balance of \$6,790,883, representing excess of income over expenditure; "income" includes assessed contributions, irrespective of collectibility.
5. The Secretary-General proposes in paragraph 11 of his report to suspend the provisions of financial regulations 4.3, 4.4, 5.2(b) and 5.2(d) in respect of the surplus balance and that it be entered into the suspense account. In view of the status of assessed contributions to UNDOF and that full reimbursement in accordance with the standard rates of reimbursement have been made on a current basis to troop-contributing States (para. 9 of the report), the Committee sees no need for a suspension of the financial regulations and therefore recommends that the surplus be credited to Member States. The Committee intends to examine, at a later stage, the rate at which outstanding obligations, in respect of all peace-keeping operations, are liquidated.
6. In section V of the report, the Secretary-General estimates the cost for the renewal of UNDOF would be \$3,564,000 gross (\$3,472,500 net) per month from 1 December 1991 onwards; the total costs for the period from 1 December 1991 to 30 November 1992 are estimated at \$42,768,000 gross (\$41,670,000 net), as shown in annexes III and IV of the report.
7. The Advisory Committee recommends that the General Assembly appropriate the amount of \$20,679,000 gross (\$20,199,000 net) authorized and apportioned in paragraph 8 of General Assembly resolution 45/243 for UNDOF for the period from 1 June to 30 November 1991 and approve the estimates of the Secretary-General for the period from 1 December 1991 to 30 November 1992 in the amount of \$42,768,000 gross (\$41,670,000 net). The Committee recommends that the General Assembly appropriate and assess an amount of \$21,384,000 gross (\$20,835,000 net) for the period from 1 December 1991 to 31 May 1992 and subject to the decision to be taken by the Security Council on the renewal of UNDOF after 31 May 1992, gave commitment authorization not exceeding \$3,564,000 gross (\$3,472,500 net) per month for the period from 1 June to 30 November 1992.

UNITED NATIONS INTERIM FORCE IN LEBANON

8. As indicated in paragraph 4 of A/46/757, assessments totalling \$1,985.7 million had been apportioned among Member States in respect of UNIFIL for the period from inception to 31 January 1992, against which contributions totalling \$1,685.2 million have been received. The Secretary-General states that the outstanding balance of \$300.5 million includes an amount of \$19.6 million transferred to a special account in accordance with General

Assembly resolution 36/116 A, leaving an amount due of \$280.9 million as at 30 November 1991.

9. The Committee was informed that the interim financial statement of 30 June 1991 for UNIFIL covering the 12-month period from 1 February 1989 to 31 January 1990 shows a "surplus" balance of \$8,235,545, representing excess of income over expenditure; "income" includes assessed contributions, irrespective of collectibility.

10. The Committee notes from paragraph 12 of the report that initial reimbursement to Governments is being made at the rate of \$750 per person per month for pay and allowances for troops as part of the approved rate of \$988; as at 31 October 1991, a total of \$146,400 was due to troop-contributing States for troop costs and \$13.1 million for the cost of contingent-owned equipment (para. 14).

11. In view of the unpaid assessments, the Secretary-General proposes the suspension of the provisions of financial regulations 4.3, 4.4, 5.2(b) and 5.2(d) in respect of the surplus balance. In view of its observations in paragraph 2 above, and bearing in mind the Committee's view that suspension of these financial regulations should be on a case-by-case basis, the Advisory Committee intends to review this matter in the context of the report it has requested in paragraph 17 below.

12. In section V and annexes III and IV of his report, the Secretary-General estimates the costs of UNIFIL for the period from 1 February 1992 to 31 January 1993 at \$160,044,000 gross (\$157,068,000 net), or \$13,337,000 gross (\$13,089,000 net) per month.

13. The Committee recalls that the Secretary-General submitted to the Security Council, at the request of the Council, a report (S/22129/Add.1 of 28 January 1991) concerning the review of the scale and deployment of UNIFIL and recommended the streamlining of the Force, resulting in savings of some 10 per cent in the Force's military strength. The Committee understands that the proposals are still with the Council and may have budgetary implications.

14. The Committee expresses its concern about the disproportionate increase in civilian staff costs from \$15.7 million in 1990-1991 to \$22.1 million in 1992-1993. The Committee was informed that the vacancy factor used for 1992-1993 is 18 per cent compared to an average of 29 per cent from February 1991 to January 1992. The Committee is of the view that it is unlikely that in 1992 the vacancy rate would be reduced from 29 to 18 per cent in view of the large number of new missions and the continued need to redeploy staff from established missions; the Committee recommends that the projected vacancy rate be adjusted, which will result in savings. The Committee further recommends a review of the basis and frequency of the salary scales for local staff, taking into account the payment by other agencies in the area. The Committee was informed that as at 30 September 1991, 132 local employees were on board, financed by general temporary assistance (\$1,194,000), in addition to the established 208 local level posts (annex V). The Committee believes

that the total number of established and temporary local staff apart from personnel under contractual services (\$400,000) is high and that there is a possibility for savings. The Committee further notes that the temporary staff are part of the UNIFIL establishment and should be listed in the staffing table.

15. The Committee notes that the cost estimates for premises are proposed to increase from \$2.7 million in 1990-1991 to \$5.0 million in 1992-1993, including the construction of a new headquarters building (annex IV, paras. 17 to 21). The Committee was not fully convinced of the need for such a substantial increase and is of the view that economies could be made. With regard to transportation, the Committee notes the proposed purchase of 157 new vehicles for replacement at a cost of \$4.3 million and a provision of \$5.3 million for vehicle spare parts and commercial repairs (annex IV, paras. 23 to 28). The Committee believes that there is a need for economy in the purchase and maintenance of vehicles.

16. The Committee notes from annex III that the provision for the support account for peace-keeping operations is decreasing from \$2,151,000 in 1990-1991 to \$1,876,000 in 1992-1993 while the civilian staff costs in the mission area are increasing considerably during the same period (see para. 14 above). The Committee points out that over the last two years the applied average ratio at UNIFIL was substantially higher than approved by the General Assembly in its resolution 45/258; the Advisory Committee intends to review the current rate and the methodology on which it is based in 1992 in the context of its review of the budgets and financial status of the various peace-keeping operations.

17. The Committee recommends that the General Assembly appropriate \$153,468,000 gross (\$150,684,000 net) authorized under General Assembly resolution 45/244 for the period from 1 February 1991 to 31 January 1992. Subject to the decision of the Security Council on the renewal of UNIFIL after 31 January 1992, the Advisory Committee recommends that the General Assembly approve commitment authority up to the level of \$13,337,000 gross (\$13,089,000 net) per month with the prior concurrence of the Advisory Committee. In view of its recommendations in paragraphs 14 to 16 above, the Committee expects that economies will be made and be reflected in a performance report for that period which the Committee requests at its spring session. On that basis, and subject to the decision of the Security Council on the renewal of UNIFIL after 31 July 1992, the Advisory Committee will make its recommendations as to the actual requirements necessary.
