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LETTER DATED 23 MARCH 1978 FROM THE SECRETARY-GENERAL TO
GOVERNMENTS OF ALL STATES MEMBERS OF THE UNITED NATIONS
AND MEMBERS OF THE SPECIALIZED AGENCIES, CONTAINING A
FURTHER APPEAL FOR VOLUNTARY CONTRIBUTIONS FOR THE
FINANCING OF THE UNITED NATIONS PEACE-KEEPING FORCE IN
CYPRUS

I should be most grateful if you would bring to the urgent attention of your Government this further appeal which I am addressing to all States Members of the United Nations or members of specialized agencies in order to obtain additional voluntary contributions for the United Nations Peace-keeping Force in Cyprus (UNFICYP).

The importance of UNFICYP has been emphasized time and again by the Security Council, and the stationing of the Force in the island has been repeatedly extended by it. Most recently, in its resolution 422 (1977) 1/ of 15 December 1977, the Council noted from my report that in existing circumstances the continued presence of UNFICYP was essential, not only to help maintain quiet in the island, but also to facilitate the continued search for a peaceful settlement, and it decided to extend the stationing of the Force in Cyprus for a further period of six months ending 15 June 1978.

This decision has to be viewed in the context of my continuing efforts, pursuant to the mission of good offices entrusted to me by the Security Council, to clear the way to meaningful negotiations between the two communities in order to achieve an agreed, just and lasting settlement of the Cyprus problem. It will be recalled that I visited Ankara, Nicosia and Athens in January 1978 to discuss further steps which it is hoped may lead to the resumption of negotiations and the eventual convening of another round of intercommunal talks. In my view, the maintenance of peaceful conditions in Cyprus is an essential requirement for overcoming the difficulties that have been encountered in activating an effective negotiating process.

In this connexion I am obliged to draw attention to the increasing difficulties I face in maintaining the United Nations Peace-keeping Force in Cyprus, owing to the continuing deficit in the UNFICYP budget. The United Nations operation in Cyprus is financed in part by the troop contributing Governments and

1/ Circulated as S/RES/422 (1977).

in part by Governments making voluntary contributions. But the voluntary contributions received have consistently fallen short of needs, resulting in an accumulated deficit for the periods ending 15 December 1977 of more than \$50 million. Additionally, \$11.1 million is required to meet that portion of the total cost of UNFICYP for the current six-month period ending 15 June 1978 that is normally financed by such contributions. This would leave costs of approximately \$17 million, based on past practice, to be met by the troop contributing countries, a figure that includes both certain reimbursable extra costs and the non-reimbursable regular costs incurred by them which these countries finance at their own expense (see annex). The Governments concerned have conveyed to me their growing and very serious concern over the disproportionate financial burden they have been carrying which has obliged some of them to review their commitments relating to their participation in UNFICYP. I am equally concerned at UNFICYP's inability to meet its financial commitments in full and at the implications of this situation in regard to the continued functioning of this peace-keeping operation. As you know, I recently found it necessary to accept, for financial reasons, a further reduction in the strength of UNFICYP.

In this situation, I have made special appeals to selected Governments urging them to increase their voluntary contributions, or to begin making such contributions if not made before. I have also expressed the hope that regular financial contributors to the UNFICYP Account will find it possible at least to maintain the level of their contributions. I now appeal to your Government to respond promptly and generously with a voluntary contribution to enable UNFICYP to carry out its important function.

(Signed) Kurt WALDHEIM
Secretary-General

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Annex

Financial position of UNFICYP

Since 1964, 65 countries have made payments or pledges of voluntary contributions to support the United Nations operation in Cyprus. Contributions to the UNFICYP Special Account since the beginning of the operation, as well as the pledges and payments received so far for the period from 16 June to 15 December 1977, are listed in the attached table.

In order to provide contingents for UNFICYP, the troop contributing Governments divert from national duty troops and other resources at an ongoing cost to them of some \$12 million for each six-month period. This involves the troops' regular pay and allowances, and normal matériel expenses. Under existing arrangements, the United Nations is not required by the troop contributors to reimburse them for these costs. These therefore constitute costs of maintaining the Force which are being financed directly by the troop contributing Governments.

The troop contributing Governments further absorb, without claiming reimbursement from the United Nations, certain extra and extraordinary costs they incur in respect of UNFICYP, estimated at \$5 million for each six-month period. These are costs for which, under existing arrangements, the troop contributors would be entitled to claim reimbursement from the United Nations, but which they have agreed to finance at their own expense, as a further contribution to the United Nations operation in Cyprus.

Including the above two elements of costs, the actual cost of financing the United Nations operation in Cyprus for the six-month period ending 15 June 1978 would total approximately \$28 million, estimated as follows:

	<u>\$ (million)</u>
(1) Regular troops' pay and allowances and normal matériel costs, financed directly by the troop contributing Governments	12.0
(2) Certain extra and extraordinary costs of the troop contributing Governments that are financed directly by them	5.0
(3) Direct costs to the United Nations which the Organization is required to meet (including the extra and extraordinary costs of Governments providing contingents for which they seek to be reimbursed), financed through voluntary contributions	11.1
Total costs	<u>28.1</u>

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Voluntary contributions from Governments are required to finance the last of these three cost elements, as indicated in the cost estimates included in my report to the Security Council of 1 December 1977 (S/12463, sect. VI).

The voluntary contributions received from Governments have not been sufficient to cover these costs. The accumulated deficit from the inception of the operation through 15 December 1977 now stands at \$50.2 million, as compared to the deficit of \$48.4 million about six months ago, as indicated in my letter to you of 26 September 1977. Two payments and four pledges, amounting to \$1,668,310, have been received so far towards that portion of the costs of maintaining the operation during the current six-month period ending 15 June 1978 that are financed by voluntary contributions.

As a result of the deficit, the bills presented by the troop contributing Governments to the United Nations for reimbursement of extra and extraordinary costs have been met only to December 1974. The practical effect of this situation has been that, as indicated above, these Governments have continued to shoulder a disproportionate burden in providing contingents for this United Nations peace-keeping operation.

PLEDGES AND PAYMENTS TO THE UNFICYP SPECIAL ACCOUNT
 FOR THE PERIOD 27 MARCH 1964-15 DECEMBER 1977 AS AT
 23 MARCH 1978

(in US dollar equivalent)

<u>Country</u>	<u>32nd Period 16/6/77 to 15/12/77</u>	<u>Total pledges</u>	<u>Payments received</u>
Australia	50 000	2 119 875	2 119 875 <u>a/</u>
Austria	125 000	2 440 000	2 440 000 <u>a/ b/</u>
Belgium	131 600	2 771 799	2 771 799
Botswana	-	500	500
Canada	-	-	- <u>a/</u>
Cyprus	150 000	1 816 359	1 816 359 <u>h/</u>
Democratic Kampuchea	-	600	600 <u>e/</u>
Denmark	120 000	3 405 000	3 405 000 <u>a/ b/</u>
Finland	-	900 000	900 000 <u>b/</u>
Germany, Federal Republic of	500 000	16 500 000	16 500 000
Ghana	-	65 587	65 587 <u>h/</u>
Greece	400 000	14 950 000	14 950 000
Guyana	-	11 812	11 812
Iceland	2 500	41 657	41 657 <u>h/</u>
India	10 000	20 000	20 000
Iran	5 500	89 000	89 000 <u>h/</u>
Iraq	-	20 000	20 000
Ireland	-	50 000	50 000
Israel	-	26 500	26 500
Italy	-	5 381 645	5 172 761
Ivory Coast	-	60 000	60 000
Jamaica	-	29 137	29 137
Japan	150 000	2 040 000	2 040 000 <u>h/</u>
Kuwait	20 000	20 000	20 000
Lao People's Democratic Republic	-	1 500	1 500 <u>f/</u>
Lebanon	-	3 194	2 894
Liberia	1 583	13 321	11 821
Libyan Arab Jamahiriya	-	50 000	50 000
Luxembourg	3 886	71 121	71 121
Malawi	-	5 590	5 590

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<u>Country</u>	<u>32nd Period 16/6/77 to 15/12/77</u>	<u>Total pledges</u>	<u>Payments received</u>
Malaysia	-	7 500	7 500
Malta	-	1 820	1 820
Mauritania	-	4 370	4 370
Morocco	-	20 000	20 000
Nepal	400	800	400
Netherlands	407 623	2 078 623	2 078 623
New Zealand	9 697	51 697	51 697
Niger	-	2 041	2 041
Nigeria	-	10 800	10 800
Norway	295 885	4 630 741	4 630 741
Oman	-	8 000	8 000
Pakistan	3 000	35 791	35 791
Philippines	-	10 000	10 000
Qatar	-	14 000	14 000
Republic of Korea	-	16 000	16 000
Senegal	-	4 000	-
Sierra Leone	-	46 425	46 425
Singapore	500	7 000	6 500
Socialist Republic of Viet Nam	-	4 000	4 000 g/
Somalia	-	1 000	1 000
Sweden	-	5 120 000	5 120 000 a/ b/
Switzerland	177 825	3 529 409	3 529 409
Thailand	-	2 500	2 500
Togo	510	1 020	-
Trinidad and Tobago	-	2 400	2 400
Turkey	-	1 839 253	1 839 253
United Arab Emirates	10 000	10 000	10 000
United Kingdom of Great Britain and Northern Ireland	1 496 212	47 659 054 c/	47 659 054 a/ b/ h/
United Republic of Cameroon	-	10 107	10 107
United Republic of Tanzania	-	7 000	7 000

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<u>Country</u>	<u>32nd Period 16/6/77 to 15/12/77</u>	<u>Total pledges</u>	<u>Payments received</u>
United States of America	4 550 000	104 650 000 <u>d/</u>	101 471 177
Uruguay	-	2 500	2 500
Venezuela	-	3 000	3 000
Yugoslavia	20 000	40 000	40 000
Zaire	-	30 000	30 000
Zambia	-	38 000	28 000
	<u>8 641 721</u>	<u>222 803 048</u>	<u>219 397 621</u>

a/ Indicative figures for the six-month period ended 15 December 1977 of the amounts of extra and extraordinary costs absorbed by Governments providing contingents are as follows: Australia \$0.4 million, Austria \$0.2 million, Canada \$0.9 million,* Denmark \$0.4 million, Sweden \$0.7 million and the United Kingdom \$2.4 million.*

* Exclusive of the normal cost of pay and allowances.

b/ Payment has been made or will be made by means of an offset against the Government's claims for reimbursement of its costs.

c/ Maximum amount pledged.

d/ Maximum amount pledged. The ultimate contribution will be dependent on contributions of other Governments.

e/ Contributions received in 1964.

f/ Contributions received in 1967.

g/ Contributions received in 1964-1966.

h/ In addition the following pledges or payments have been received for subsequent periods of the Force: Cyprus \$300,000 for 1978; Ghana \$11,310 for the period ending 15 June 1978; Iceland \$5,500 for 1978; Iran* \$5,500 for the period ending 15 June 1978; Japan \$400,000 for 1978; United Kingdom approximately \$946,000 for the period 16 December 1977 to 31 March 1978.

* In addition Iran has pledged \$50,000 annually from 16 June 1978.
