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

United Nations Disengagement Observer Force

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 Disengagement Observer Force (UNDOF) (A/36/600 and Corr.1). Additional information was made available to the Advisory Committee by the representatives of the Secretary-General.
2. UNDOF was established by Security Council resolution 350 (1974) and its mandate has since been extended, most recently by Security Council resolution 485 (1981) of 22 May 1981 for a period of 6 months until 30 November 1981.
3. The report of the Secretary-General is divided into two parts:
 - (a) Expenditures and revised apportionments of UNDOF from 1 December 1979 to 30 November 1981;
 - (b) Cost estimates beyond 30 November 1981.

In addition, the Secretary-General reports on the status of contributions to UNDOF. In paragraph 11 of his report, the Secretary-General summarizes the actions which need to be taken by the General Assembly at its current session as regards the financing of UNDOF. Details on items (a) and (b) above are provided in annexes I and II, respectively, to the Secretary-General's report.

4. The Secretary-General states in paragraph 4 of his report that as at 30 September 1981 a total of \$18.3 million in contributions for UNDOF had been received for the period from 1 December 1980 to 30 November 1981. According to the

Secretary-General, the balance due from Member States for this period amounts to \$11.3 million, including \$0.7 million apportioned to Member States which have stated that they do not intend to pay for UNDOF. As indicated by the Secretary-General in paragraph 7 of his report, "there is a shortfall of approximately \$2.8 million in the UNDOF Special Account in respect of the two periods from 25 October 1979 to 30 November 1981 owing to non-payment by certain Member States to UNDOF. The shortfall of previous periods of UNDOF to 24 October 1979 together with UNEF to its liquidation in 1980 is now estimated at \$58.9 million. In the circumstances, payments to troop contributors have not been made on time; moreover, they have not been reimbursed fully in accordance with rates agreed upon. They again have conveyed to the Secretary-General their very serious concern over this situation, which places a heavy burden on their Governments." The Advisory Committee notes from paragraph 6 of the Secretary-General's report that no voluntary contributions have been received in response to General Assembly resolution 35/45 A.

5. On a related matter the Advisory Committee was informed that the interim accounts for the biennium 1980-1981 indicate for the UNEF/UNDOF Special Account a "surplus" balance of \$2,694,446 as at 31 December 1980, representing excess of income over expenditure due to interest and miscellaneous credits accrued to the Account. The word "income" in the preceding sentence includes "assessed contributions", irrespective of collectibility. However, in consequence of the withholding of contributions by certain Member States, the surplus balance referred to has in effect been drawn upon to the full extent to supplement the income received from contributions for meeting expenses of the Forces.

A. Expenditure of UNDOF from 1 December 1979 to
30 November 1981, inclusive

6. The disbursements and obligations for UNDOF for this period are dealt with in section III and annex I of the Secretary-General's report. The following table compares (by object of expenditure) disbursements and obligations (shown below and in the Secretary-General's report as "revised apportionments") in 1980-81 with initial allocations prepared by the Secretary-General to accord with the amounts approved for UNDOF by the General Assembly at its thirty-fifth session.

UNITED NATIONS DISENGAGEMENT OBSERVER FORCE (UNDOF)

Revised apportionments and initial allocations for the
period from 1 December 1980 to 30 November 1981

(in thousands of United States dollars)

	<u>Revised apportion- ments</u>	<u>Initial allocations</u>	<u>Increase (decrease)</u>
1. <u>Local area and backstopping costs</u>			
(a) United Nations daily allowance to troops	596	596	-
(b) Salaries and related costs of staff	2 670	2 385	285
(c) Travel and subsistence of military personnel	49	61	(12)
(d) Rations	1 580	1 825	(245)
(e) Rental, maintenance, utilities and construction of premises	1 339	1 300	39
(f) Rental of aircraft	-	5	(5)
(g) Communications	17	14	3
2. <u>Force-wide equipment and supplies</u>			
(a) Purchase of transportation equipment	553	527	26
(b) Purchase of other equipment	312	332	(20)
(c) Maintenance and operation of motor transport and other equipment	2 496	2 600	(104)
(d) Supplies and services	1 198	1 100	98
(e) Freight, cartage and express	217	265	(48)
(f) Reimbursement for cost of depreciation of contingent-owned equipment and reimbursement for supplies	750	750	-
3. <u>Rotation of contingents</u>	1 200	1 200	-
4. <u>Death and disability awards</u>	125	125	-
5. <u>Welfare</u>	178	230	(52)
6. <u>Payment for troop costs</u>			
(a) Pay and allowances for troops at the standard rate of \$950 per man-month, plus a supplementary \$280 per man-month for a limited number of specialists	15 212	15 212	-
(b) Usage factor for personal clothing, gear and equipment at the standard rate of \$65 per man-month plus \$5 per man-month for personal weaponry and ammunition	1 076	1 076	-
7. <u>Staff assessment</u>	<u>350</u>	<u>315</u>	<u>35</u>
Total, lines 1-7	<u>29 918</u>	<u>29 918</u>	<u>-</u>
8. <u>Income from staff assessment</u>	<u>350</u>	<u>315</u>	<u>35</u>
9. <u>Other income</u>	<u>-</u>	<u>-</u>	<u>-</u>

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B. Cost estimates for UNDOF
beyond 30 November 1981

7. As indicated by the Secretary-General in section IV of his report and in annex II to it, should the Security Council renew the mandate of UNDOF beyond 30 November 1981, the costs would be of the order of \$2,687,333 gross (\$2,655,833 net) per month from 1 December 1981 onwards. This estimate assumes maintenance of the present average strength of 1,275 all ranks, and continuance of UNDOF's existing responsibilities.

8. The following table provides a comparison between revised apportionments for UNDOF from 1 December 1980 to 30 November 1981 and estimates of the cost of UNDOF from 1 December 1981 to 30 November 1982.

United Nation Disengagement Observer Force (UNDOF)

Cost estimates from 1 December 1981 to 30 November 1982
and revised apportionments from 1 December 1980 to
30 November 1981

(in thousands of United States dollars)

	<u>1981-1982</u> <u>estimates</u>	<u>1980-1981</u> <u>revised</u> <u>apportionments</u>	<u>1981-1982</u> <u>increase</u> <u>(decrease)</u>
1. <u>Local area and backstopping costs</u>			
(a) United Nations daily allowance to troops	596	596	-
(b) Salaries and related costs of staff	2 976	2 670	306
(c) Travel and subsistence of military personnel	48	49	(1)
(d) Rations	1 900	1 580	320
(e) Rental, maintenance, utilities and construction of premises	1 272	1 339	(67)
(f) Rental of aircraft	5	-	5
(g) Communications	12	17	(5)
2. <u>Force-wide equipment and supplies</u>			
(a) Purchase of transportation equipment	500	553	(53)
(b) Purchase of other equipment	703	312	391
(c) Maintenance and operation of motor transport and other equipment	3 066	2 496	570
(d) Supplies and services	1 484	1 198	286
(e) Freight, cartage and express	375	217	158
(f) Reimbursement for cost of depreciation of contingent-owned equipment and reimbursement for supplies	900	750	150
3. <u>Rotation of contingents</u>	1 400	1 200	200
4. <u>Death and disability awards</u>	125	125	-
5. <u>Welfare</u>	240	178	62
6. <u>Payment for troop costs</u>			
(a) Pay and allowances for troops at the standard rate of \$950 per man-month, plus a supplementary \$280 per man-month for a limited number of specialists	15 212	15 212	-
(b) Usage factor for personal clothing, gear and equipment at the standard rate of \$65 per man-month plus \$5 per man-month for personal weaponry and ammunition	1 076	1 076	-
7. <u>Staff assessment</u>	<u>358</u>	<u>350</u>	<u>8</u>
Total, lines 1-7	<u>32 248</u>	<u>29 918</u>	<u>2 330</u>
8. <u>Income from staff assessment</u>	<u>358</u>	<u>350</u>	<u>8</u>
9. <u>Other income</u>	<u>20</u>	<u>-</u>	<u>20</u>

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9. In the paragraphs below, the Advisory Committee submits its observations and recommendations on the Secretary-General's estimates for the period from 1 December 1981 to 30 November 1982, inclusive, it being understood that requirements would depend on the decision to be taken by the Security Council as to the future of UNDOF beyond 30 November 1981.

10. As can be seen from the table in paragraph 8 above, the total increase in 1981-1982 over 1980-1981 is some \$2.3 million or 7.7 per cent. Most of the increase is attributable to inflation. The Committee notes that decreases are projected for several objects of expenditure. Nevertheless, there are areas where the Committee believes that economies and savings are possible.

11. As is shown in paragraph 17 of annex II to the Secretary-General's report, an amount of \$243,000 is estimated for supply of water and electricity, as compared with a revised apportionment of \$154,000 for the 12-month period ending 30 November 1981; this represents an increase of nearly 58 per cent. Although it is explained that electricity rates are expected to rise by 25 per cent, the Committee is of the opinion that controls and conservation measures can result in economies.

12. The Committee notes a steep increase in the estimate for accommodation and mess equipment which is \$76,400 higher than the revised apportionment of \$10,000 for the period just ending. Strict controls should be applied and maintained in this area.

13. Likewise, with prudent management, the estimates for supplies and services (paras. 43-56 of annex II to the Secretary-General's report) can be reduced, especially as regards field defence stores, quartermaster and general stores, and contractual services.

14. Given the conditions under which UNDOF has to operate, the Advisory Committee does not believe that specific reductions can be recommended for any particular item of expenditure. Rather, the Committee is of the opinion that if its observations in paragraphs 11 to 13 above are borne in mind, and if strict attention is paid to economy and efficiency, savings should result. The Committee therefore recommends that the Secretary-General's estimate of \$32,248,000 gross (\$31,870,000 net) be reduced by \$300,000. On that basis, and subject to the decision to be taken by the Security Council on the mandate of UNDOF after 30 November 1981, requirements for UNDOF for the 12-month period 1 December 1981-30 November 1982 should not exceed \$31,948,000 gross (\$31,570,000 net). The Advisory Committee recommends further that the Secretary-General should be permitted the usual flexibility to transfer credits between items of expenditure should that be necessary in the interest of good management and efficiency.
