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

### 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 report of the Secretary-General on the financing of the United Nations Interim Force in Lebanon (UNIFIL) (A/36/601 and Corr.1 and 2). Additional information was made available to the Committee by representatives of the Secretary-General.
2. UNIFIL was established under Security Council resolution 425 (1978) of 19 March 1978 for an initial period of six months and has since been extended, most recently by Security Council resolution 488 (1981) of 19 June 1981, under which the mandate of UNIFIL was extended until 19 December 1981.
3. The report of the Secretary-General covers:
  - (a) Commitments for the period from 19 December 1980 to 18 June 1981 inclusive;
  - (b) Commitments for the period from 19 June to 18 December 1981 inclusive;
  - (c) Cost estimates for periods after 18 December 1981.

In addition, the Secretary-General reports on the status of contributions, and in paragraph 13 of his report he summarizes the action which needs to be taken by the General Assembly at its current session regarding the financing of UNIFIL. Details on items (a) and (b) above are provided in annex I to the Secretary-General's report and on item (c) in annex II. Annex I also provides, for comparative purposes, a summary statement of revised apportionments for the six-month mandate period ended 18 December 1980.

4. In its consideration of the report by the Secretary-General, the Advisory Committee bore in mind the request addressed to him by the General Assembly in section V of resolution 35/115 A of 10 December 1980 to take all necessary action to ensure that UNIFIL is administered with maximum efficiency and economy.
5. The Secretary-General states in paragraph 3 of his report that as at 30 September 1981 he had received \$335.7 million in contributions for the operation of UNIFIL, out of \$491.0 million apportioned among Member States for the periods from the inception of the Force on 19 March 1978 to 18 December 1981. According to the Secretary-General, the balance of \$155.3 million includes \$114.9 million apportioned to Member States which have stated that they do not intend to pay for UNIFIL. Thus, according to the Secretary-General, only \$40.4 million of the unpaid balance may be considered collectible at this time. In paragraphs 5 and 6 of his report, the Secretary-General indicates that there has been virtually no response to the appeal for voluntary contributions to UNIFIL in General Assembly resolution 35/115 A.
6. In paragraph 7, the Secretary-General states that the shortfall of \$114.9 million apportioned to Member States which have stated that they do not intend to pay for UNIFIL (see preceding para.)  
  
"represents over 23 per cent of the total amounts apportioned among Member States to finance the costs of UNIFIL for the periods from the inception of the Force on 19 March 1978 to 18 December 1981. As stated before, this situation poses a very serious problem for the financial management of the Force. The Secretary-General continues to face difficulties in meeting the obligations of the Force on a current basis, particularly those due to the troop-contributing countries, payments to which have never been made on a current and full basis in accordance with rates agreed upon and are falling farther behind. They have conveyed again to the Secretary-General their very serious concern over this situation, which places a heavy burden on their Governments. So far, the Suspense Account established in accordance with General Assembly resolution 34/9 D has not achieved its purpose of alleviating this financial burden on the troop contributors. As mentioned in paragraph 6 above, the voluntary contributions credited to the Suspense Account amount to only \$11,700."
7. In a related matter, the Advisory Committee has been informed that the interim accounts for the biennium 1980-1981 indicate for the UNIFIL Special Account a "surplus" balance of \$3,759,109 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 Force.

A. Commitments for UNIFIL for the period from 19 December 1980 to 18 June 1981, inclusive

8. In sections I and II of resolution 35/115 A of 10 December 1980, the General Assembly appropriated funds for the operation of UNIFIL from 19 December 1979 to 18 December 1980 inclusive. Financing of UNIFIL in the mandate periods subsequent to 18 December 1980 has been under the authority of section III of resolution 35/115 A, by which the Assembly authorized the Secretary-General to enter into commitments for UNIFIL at a rate not to exceed \$12,180,500 gross (\$12,060,166 net) per month for the period from 19 December 1980 to 18 December 1981 inclusive, should the Security Council decide to continue the Force beyond the period authorized in its resolution 474 (1980) of 17 June 1980.

9. The Secretary-General indicates in paragraph 8 of his report that he has entered into commitments for UNIFIL for the period from 19 December 1980 to 18 June 1981 inclusive, in the amount of \$73,083,000 gross (\$72,360,996 net). The Committee notes that these commitments equal the limits authorized by the Assembly in resolution 35/115 A, on the basis of recommendations by the Advisory Committee (see A/35/668, para. 20). The Committee recommends that the Assembly should appropriate the amount of \$73,083,000 gross (\$72,360,996 net) to cover the commitments entered into by the Secretary-General for the period from 19 December 1980 to 18 June 1981, inclusive.

B. Commitments for UNIFIL for the period from 19 June to 18 December 1981 inclusive

10. In paragraph 9 of his report, the Secretary-General states that under the terms of General Assembly resolution 35/115 A, he has entered into commitments for UNIFIL for the period from 19 June to 18 December 1981 inclusive in the amount of \$73,083,000 gross (\$72,360,996 net). The Advisory Committee notes that these commitments, like the commitments referred to in paragraph 9 above, are equal to the limits authorized by the General Assembly. Accordingly, the Committee recommends that the Assembly should appropriate the necessary amounts to cover the commitments for the period 19 June to 18 December 1981.

C. Cost estimates for UNIFIL for periods after 18 December 1981

11. In paragraph 10 of his report, the Secretary-General states:

"While the present mandate of UNIFIL continues to 18 December 1981, cost estimates for maintaining the Force beyond that date, should the Security Council renew its mandate, are being submitted at this stage in order to allow adequate time for their consideration by the General Assembly at its thirty-sixth session, it being understood that such decisions as the Assembly may take in this regard would become operative only upon the necessary decision being taken by the Security Council. The estimates have been prepared on a six-month basis, that is for the period from 19 December 1981 to 18 June 1982."

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12. In paragraph 11, the Secretary-General estimates the cost of UNIFIL for the six-month period from 19 December 1981 to 18 June 1982 inclusive at \$83,491,000 gross and income at \$835,000, based on an average Force strength of 6,000 troops during this period. A breakdown of this estimate is provided in section A of annex II to the Secretary-General's report and supplementary information is provided in section B.

13. In this connexion, the Advisory Committee recalls that in resolution 35/115 A the General Assembly adopted a procedure whereby it authorized the Secretary-General to enter into commitments for a period of 12 months. If this procedure is followed again, the situation will exist where monthly commitment limits for 12 months will have been authorized on the basis of estimates for only six months. In other words, the \$83.5 million presented in document A/36/601 and Corr. 1 and 2 will form the basis for commitment authority up to a total amount of \$167 million for 12 months, an increase of approximately \$21 million over the previous 12 months.

14. The Advisory Committee believes that estimates for UNIFIL should be prepared and justified on a 12-month basis if commitment authority is to be given for 12 months. In this way a more realistic assessment of needs can be made. For example, estimates which relate to one-time costs in the first six months and justified on that basis should not be automatically figured into the requirements for the second six months. Similarly, there are areas of expenditure for which costs for the seventh to twelfth months will exceed estimates prepared for the first six months due to the effects of inflation and other factors.

15. The Advisory Committee has been informed by representatives of the Secretary-General that presentation of the estimates on a 12-month basis would be feasible and would not require a change in the financial reporting for UNIFIL by mandate periods.

16. The Advisory Committee therefore recommends that should the Secretary-General submit estimates for UNIFIL for periods after 18 December 1982, he do so on the basis of 12 months. In the meantime, the Committee has borne in mind that the estimates for 19 December 1981 to 18 June 1982 presented in document A/36/601 and Corr. 1 and 2 may form the basis for the level of commitments authorized for 19 June to 18 December 1982, subject to the necessary actions by the Security Council on extending the mandate of the Force.

17. In paragraph 7 of annex II to his report, the Secretary-General provides a proposed staffing table for UNIFIL by grade level and category. The table shows a total of 500 posts as compared with a total of 482 for the six-month period ending 18 December 1981. The increase of 18 posts consists of 13 additional Field Service posts and 5 additional local-level posts.

18. The additional Field Service posts would provide nine Field Service officers to be assigned to battalion headquarters (one to each of the eighth battalions and one back-up) to ensure continuity in administrative management, and four additional Field Service staff members for general services (maintenance, stores, Claims and Survey Board). In the light of the explanations provided by the Secretary-General

in paragraphs 3 and 4 of annex II, and bearing in mind that provision of administrative officers for the battalions should lead to more efficient management and economies, the Advisory Committee recommends approval of the additional Field Service posts.

19. The request for five additional local staff members, who would be assigned to the transport workshop, is explained in paragraph 5 of annex II; the Advisory Committee recommends approval of the request. In paragraphs 6 and 10 an amount of \$215,000 is requested for casual labour - to engage some 120 civilian local staff who would release an equal number of soldiers now employed Force-wide on unskilled administrative duties. In the light of the explanations provided in paragraph 6 of annex II, the Committee recommends that the request should be approved.

20. The estimate for rental, maintenance, utilities and construction of premises, includes an amount of \$1,345,000 for construction of premises.

21. In paragraph 21 of annex II, it is stated that

"The initial requirement for the accommodation of military personnel was set at 45,500 square metres of space in prefabricated structures. By 18 December 1981, it is expected that a total of 29,500 square metres will exist, leaving a balance of 16,000 square metres still to be provided. This balance has been committed to housing military personnel temporarily quartered in buildings taken over by UNIFIL, which will have to be returned eventually to the owners."

In his report on UNIFIL to the thirty-fifth session of the General Assembly (A/35/613) the Secretary-General indicated in paragraph 18 (a) of annex II that 14,500 square metres had been committed to rehouse military personnel who had been quartered in buildings which had to be returned to the owners. This year's report is, therefore, inconsistent with the information provided to the Assembly at its thirty-fifth session.

22. In any case, the three projects listed in paragraph 21 of annex II which account for the entire estimate of \$275,000 for accommodation structures, do not appear to be related to the need for additional prefabricated structures discussed above. The Advisory Committee can only assume that that discussion relates to periods after the six months envisaged in the report.

23. Besides the accommodation projects, other projects are proposed in paragraph 21 of annex II, including additional storage facilities (\$245,000), additional communal facilities (\$240,000) and additional workshop facilities (\$399,000). Although the construction projects are listed in the order of priority, the Committee doubts that all of them can be carried out within the time-frame of six months on which the estimates are based. If some of these projects are to be carried out in the second six-month period, requirements for construction, on an annualized basis, will be less than double the estimate for the first six months. Accordingly, the Committee recommends that the six-month estimate of \$1,345,000 for construction of premises should be reduced by \$235,000 to \$1,110,000 which would correspond to \$2,220,000 for 12 months.

24. An amount of \$4,045,000 is requested for purchase of transportation equipment. This compares with a revised apportionment of \$847,000 for the six-month period just ending. It is proposed to acquire 169 new vehicles, of which 167 would be for replacement. This large increase has been proposed before the study aimed at establishing standard policy for the rotation and replacement of vehicles, recommended by the Advisory Committee, has been completed (see para. 26 of annex II to the Secretary-General's report). The Committee does not believe that the statement in its report of last year (A/35/668, para. 16) that "pending the results of such a study, the Committee recommends strict adherence to a policy whereby vehicle replacement would be authorized on an individual basis and only after it has been ascertained that further use of the vehicle in question would be uneconomical" should be used as the rationale for a replacement programme so extensive that it prejudices the study aimed at establishing a standard replacement and rotation policy (see para. 28 of annex II). The Committee's view in this regard is made even stronger by the fact that if commitment is given for a full year, the estimate of \$4,045,000 for six months will become \$8,090,000 for 12 months. On that basis it would be possible for the Secretary-General to purchase in one year over 300 vehicles, i.e., a quarter of the vehicle fleet which has an authorized level of 1,260. In the light of these considerations, the Committee recommends that the estimate of \$4,045,000 should be reduced to \$3 million for six months, equivalent to \$6 million for 12 months. The Committee urges the Secretary-General to submit by the autumn of 1982 a full report on the establishment of a standard vehicle rotation and replacement policy.

25. Purchase of other equipment is estimated at \$2,139,000, as compared with \$698,000 for the six-month period just ending. In the view of the Advisory Committee, it is not likely that this large rate of increase will need to be sustained for an entire 12-month period. Moreover, prudent management and strict attention to economy should result in savings in this area, particularly as regards accommodation and mess, office, and miscellaneous equipment. The assignment of Field Service officers to the battalions for administration should also help to ensure economies (see para. 18 above). For these reasons, the Committee recommends that the estimate should be reduced by \$139,000 to \$2 million.

26. An amount of \$5,935,000 is estimated by the Secretary-General for spare parts and maintenance for vehicles during the next six months. In view of the extensive vehicle replacement programme which would be undertaken, expenditure on spare parts and maintenance of vehicles should decrease.

27. As indicated in paragraph 48 of annex II, an amount of \$1.6 million is for spare parts requirements for an accelerated repair programme. The Advisory Committee has been informed that the spare parts will all be used in this concentrated repair effort, leaving the Force with no reserve of spare parts. It is thus intended to use a further amount of \$1.6 million in the following mandate (should there be one) to establish a reserve stock equal to three months' consumption. However, the Committee is not convinced that the repair programme can be accomplished at the envisaged pace, nor is it convinced that the reserve stock needs to be built up all at once. It should therefore not be necessary to retain for the full 12 months a commitment authority at the level indicated for the first six months. For these reasons, and for the reason given in paragraph 26 above, the Advisory Committee recommends that the request of \$5,935,000 should be reduced to \$4.3 million for six months, equivalent to \$8.6 million for 12 months.

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28. Supplies and services, for which a total of \$3,037,000 is estimated (a 50 per cent increase over the six-month period to 18 December 1981) is another area where effective management should lead to economies particularly as regards clothing and uniforms, quartermaster and general stores, and contractual services. The Committee trusts that the new Field Service administrative personnel will play an important role in this regard. The Committee recommends that the estimate should be reduced by \$537,000 to \$2.5 million.

#### D. Recapitulation

29. In paragraphs 23 to 28 above, the Committee has indicated areas where savings totalling \$3,591,000 on a six-month basis should be within reach. In view of the nature of the operation, the Advisory Committee believes that the Secretary-General should be allowed the necessary flexibility to make the requisite reductions either in the areas indicated by the Committee or in other areas, should that be dictated by considerations of good management and efficiency.

30. Actual requirements for UNIFIL in 1981-1982 will depend on decisions of the Security Council as regards the mandate or mandates of UNIFIL after 18 December 1981. Subject to the foregoing, however, the Advisory Committee is of the opinion - in the light of its analysis in the present report - that the cost of UNIFIL based on requirements for a six-month period should not exceed \$79,900,000 gross or \$13,316,666 gross per month. If these figures are used as the basis for a 12-month commitment authority, the total would be \$159.8 million gross.

31. In paragraph 16 above the Advisory Committee has recommended that any future estimates for UNIFIL be presented on a 12-month basis.

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