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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

I. INTRODUCTION

1. The Advisory Committee on Administrative and Budgetary Questions has considered two reports of the Secretary-General on the financing of the United Nations Disengagement Observer Force (UNDOF) (A/43/769) and the United Nations Interim Force in Lebanon (UNIFIL) (A/43/826 and Corr.1). During its consideration of the items, additional information was provided to the Advisory Committee by the representatives of the Secretary-General.

2. The comments and recommendations of the Advisory Committee on UNDOF are contained in section II below, while UNIFIL is dealt with in section III. In its consideration of the reports of the Secretary-General, the Advisory Committee bore in mind the requests of the General Assembly in resolutions 42/70, section IV, paragraph 2, of 3 December 1987, and 42/223, paragraph 7, of 21 December 1987, that the Secretary-General should take all necessary action to ensure that both UNDOF and UNIFIL are administered with maximum efficiency and economy.

II. UNITED NATIONS DISENGAGEMENT OBSERVER FORCE

3. UNDOF was established by Security Council resolution 350 (1974) of 31 May 1974; its mandate has since been extended, most recently by Security Council resolution 624 (1988) for another period of six months, that is, until 31 May 1989.

4. The report of the Secretary-General includes sections on the following:

(a) Expenditure and revised apportionment for periods from 1 December 1986 to 30 November 1988;

(b) Cost estimate beyond 30 November 1988.

Details on (a) and (b) above are provided in annexes I and II to the report. In addition, the status of contributions to UNDOF is reported in paragraphs 4 to 6. Actions that need to be taken by the General Assembly at its current session with respect to the financing of UNDOF are summarized in paragraph 10 of the report.

5. In paragraph 4 of his report, the Secretary-General states that, as at 30 September 1988, a total of \$768.4 million in contributions for UNDOF and the United Nations Emergency Force (UNEF) had been received for the period from inception to 30 November 1988. The table in paragraph 6 of the report shows that, as at 30 September 1988, the balance due from Member States amounted to \$75 million, of which only \$6.4 million was estimated to be collectible. The balance of \$68.6 million comprised amounts apportioned to Member States that have withheld their payment for UNDOF (\$32.6 million) and amounts transferred to a special account in accordance with General Assembly resolution 36/116 A of 10 December 1981 (\$36 million). In this connection, the Secretary-General draws attention in paragraph 5 to the fact that "approximately \$8.1 million of the shortfall is in respect of the periods from 25 October 1979 to 30 November 1988, while some \$60.5 million is attributable to the previous periods of UNDOF up to 24 October 1979 together with UNEF until its liquidation in 1980. In the circumstances, troop contributors have not been reimbursed in full nor have they been paid on time".

6. On a related matter, the Advisory Committee was informed that the audited accounts for the biennium 1986-1987 indicate that the Special Account for UNEF and UNDOF shows a "surplus" balance of \$2,413,235 as at 31 December 1987, representing excess of income over expenditures due to interest and miscellaneous credits accrued to the account. According to the Secretary-General, the word "income" in the preceding sentence includes "assessed contributions", irrespective of collectibility. However, as a consequence of the withholding of contributions by certain Member States, the surplus balance referred to has in effect been drawn upon to its full extent to supplement the income received from contributions for meeting expenses of the forces.

A. Expenditure of UNDOF from 1 December 1986 to 30 November 1988

7. The disbursements and obligations for UNDOF for this 24-month period are discussed in section III and annex I of the report of the Secretary-General.

8. The following table shows disbursements and obligations (shown below and in the report of the Secretary-General as "revised apportionment") for the 12-month period from 1 December 1987 to 30 November 1988 as compared with initial allocations prepared by the Secretary-General to accord with amounts approved for UNDOF by the General Assembly at its forty-second session.

United Nations Disengagement Observer Force (UNDOF)

Revised apportionment and initial allocation for the
 period from 1 December 1987 to 30 November 1988

(Thousands of United States dollars)

	Revised apportionment	Initial allocation	Increase (decrease)
1. <u>Local area and backstopping costs</u>			
(a) United Nations daily allowance to troops	623	625	(2)
(b) Salaries and related costs of staff	4 343	3 936	407
(c) Travel and subsistence of military personnel	50	50	-
(d) Rations	2 122	1 730	392
(e) Rental, maintenance, utilities and construction of premises	2 080	2 060	20
(f) Rental of aircraft	-	3	(3)
(g) Communications	25	20	5
2. <u>Force-wide equipment and supplies</u>			
(a) Purchase of transportation equipment	611	589	22
(b) Purchase of other equipment	983	983	-
(c) Maintenance and operation of motor transport and other equipment	2 788	2 855	(67)
(d) Supplies and services	1 714	1 852	(138)
(e) Freight, cartage and express	151	200	(49)
(f) Reimbursement for depreciation of contingent-owned equipment	645	1 104	(459)
3. Rotation of contingents	1 018	1 100	(82)
4. Death and disability awards	400	400	-
5. Welfare	237	260	(23)

	<u>Revised apportionment</u>	<u>Initial allocation</u>	<u>Increase (decrease)</u>
6. <u>Payment for troop costs</u>			
(a) Pay and allowance for troops	15 830	15 848	(18)
(b) Usage factor for personal clothing, gear and equipment	1 116	1 121	(5)
7. <u>Staff assessment</u>	<u>592</u>	<u>592</u>	-
Total, lines 1-7	<u>35 328</u>	<u>35 328</u>	-
8. <u>Income from staff assessment</u>	592	592	-
9. <u>Other income</u>	20	20	-
10. <u>Total net</u>	<u>34 716</u>	<u>34 716</u>	-

B. Cost estimate for UNDOF beyond 30 November 1988

9. In section IV and annex II of his report, the Secretary-General indicates that, should the Security Council renew the mandate of UNDOF beyond 30 November 1988 (see para. 3 above), the costs would be in the order of \$3,019,000 gross (\$2,963,000 net) per month from 1 December 1988 onwards. This estimate assumes an average force strength of 1,327 troops, all ranks, and also assumes that the existing responsibilities of UNDOF will continue.

10. The following table provides a comparison between the revised apportionment from 1 December 1987 to 30 November 1988 and estimates of the cost of UNDOF from 1 December 1988 to 30 November 1989.

United Nations Disengagement Observer Force (UNDOF)

Cost estimate from 1 December 1988 to 30 November 1989 and revised apportionment from 1 December 1987 to 30 November 1988

(Thousands of United States dollars)

	1988/1989 <u>estimate</u>	1987/1988 revised <u>apportionment</u>	1988/1989 Increase (decrease)
1. <u>Local area and backstopping costs</u>			
(a) United Nations daily allowance to troops	623	623	-
(b) Salaries and related costs of staff	4 600	4 343	257
(c) Travel and subsistence of military personnel	50	50	-
(d) Rations	1 966	2 122	(156)
(e) Rental, maintenance, utilities and construction of premises	2 120	2 080	40
(f) Communications	25	25	-
2. <u>Force-wide equipment and supplies</u>			
(a) Purchase of transportation equipment	750	611	139
(b) Purchase of other equipment	910	983	(73)
(c) Maintenance and operation of motor transport and other equipment	2 800	2 788	12
(d) Supplies and services	1 800	1 714	86
(e) Freight, cartage and express	160	151	9
(f) Reimbursement for depreciation of contingent-owned equipment	825	645	180
3. <u>Rotation of contingents</u>	1 200	1 010	182
4. <u>Death and disability awards</u>	400	400	-
5. <u>Welfare</u>	240	237	3

	1988/1989 <u>estimate</u>	1987/1988 revised <u>apportionment</u>	1988/1989 Increase (Increase)
6. <u>Payment for troop costs</u>			
(a) Pay and allowance for troops	15 848	15 830	18
(b) Usage factor for personal clothing, gear and equipment	1 121	1 116	5
7. <u>Integrated Management Information System</u>	130	-	130
8. <u>Staff assessment</u>	<u>660</u>	<u>592</u>	<u>68</u>
Total, lines 1-8	<u>36 228</u>	<u>35 328</u>	<u>900</u>
9. <u>Income from staff assessment</u>	660	592	68
10. <u>Other income</u>	<u>12</u>	<u>20</u>	<u>(8)</u>
11. <u>Total net</u>	<u>35 556</u>	<u>34 716</u>	<u>840</u>

11. As can be seen from the table above, the total increase, on a net basis, in 1988/1989 is \$840,000, or 2.4 per cent. The Committee notes that \$130,000 of this amount relates to UNDOF's share of the cost of the integrated management information system proposed by the Secretary-General in document A/C.5/43/24. The related observations and recommendations of the Advisory Committee in this regard may be found in its report A/43/7/Add.10.

12. As indicated by the Secretary-General in annex II, paragraph 3, of his report, the UNDOF staffing table comprises 155 posts, unchanged from 1987/1988 (8 at the Professional level and above, 10 General Service, 31 Field Service and 106 Local level). Annex II also contains an explanation of the various objects of expenditure outlined in the table in paragraph 10 above. In that regard the Advisory Committee notes the decreases and increases as well as the reasons given therefor.

13. The Advisory Committee recommends that the estimate of the Secretary-General for the cost of UNDOF in 1988/1989 should be approved. Subject to the decisions to be taken by the Security Council on the renewal of the mandate of UNDOF after 31 May 1989 (see para. 3 above), requirements for UNDOF for the 12-month period from 1 December 1988 to 30 November 1989 should not exceed \$36,228,000 gross (\$35,556,000 net). The 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.

III. UNITED NATIONS INTERIM FORCE IN LEBANON

14. 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 Council resolution 617 (1988) of 29 July 1988, under which the mandate of UNIFIL was extended until 31 January 1989.

15. The report of the Secretary-General includes sections on:

- (a) Commitments for the period 1 February 1988 to 31 January 1989;
- (b) Cost estimate for the 12-month period beginning 1 February 1989.

Details on (a) and (b) above are provided in annexes I and II of document A/43/826. In addition, the status of contributions to UNIFIL is reported in paragraphs 4 to 8 of the Secretary-General's report (A/43/826 and Corr.1). In paragraph 13 the Secretary-General discusses the financial situation of UNIFIL. The actions that need to be taken by the General Assembly at its forty-third session are summarized in paragraph 12 of the Secretary-General's report.

16. The Secretary-General, in paragraph 4 of his report, states that, as at 30 September 1988, he had received \$1,208.5 million in contributions for the operation of UNIFIL, out of \$1,538.8 million apportioned among Member States for the periods from the inception of the Force on 19 March 1978 to 31 December 1988. According to the Secretary-General, the balance of \$330.3 million includes \$205.6 million apportioned to Member States that have withheld payment for UNIFIL and \$19.6 million transferred to a special account in accordance with General Assembly resolution 36/116 A. Thus, only \$105.1 million of the unpaid balance may be considered collectible at this time, leaving a shortfall of \$225.2 million. As indicated in document A/43/826/Corr.1, the Secretary-General reports that in response to the appeal for voluntary contributions to UNIFIL made by the General Assembly in its resolution 42/223, paragraph 8, as at 30 September 1988, an amount of \$3 million has been received to defray expenses arising from the prospective acquisition of logistic equipment and supplies. The utilization of this contribution is subject to consultation with the donor Government on the basis of proposals from the Secretariat. In paragraph 7 of the report (A/43/826 and Corr.1), the Secretary-General indicates that voluntary contributions in cash to the Suspense Account (established in accordance with resolution 34/9 D of 17 December 1979) totalling \$1.3 million have been received as at 30 September 1988.

17. In paragraph 8, the Secretary-General states that, as a consequence of the shortfall of \$225.2 million, "UNIFIL is unable to meet its obligations 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 established by the General Assembly. The troop-contributing countries have continued to convey 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". The Secretary-General's concern is reiterated in paragraph 13 of his report, in which he appeals "in the strongest terms to all Member States to pay their assessments without delay".

18. On a related matter, the Advisory Committee has been informed that the audited accounts for the UNIFIL Special Account indicate a "surplus" balance of \$6,313,362 as at 31 December 1987 for the biennium 1986-1987, 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, as a 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 the period from 1 February 1988 to 31 January 1989

19. In paragraph 9 of his report, the Secretary-General discusses the commitments entered into for UNIFIL for the mandate period from 1 February 1988 to 31 January 1989. A breakdown of the commitments is given in annex I to the Secretary-General's report. The Advisory Committee recommends that the General Assembly should appropriate an amount of \$141,180,000 gross (\$139,416,000 net), corresponding to the commitments entered into for the mandate period from 1 February 1988 to 31 January 1989.

B. Cost estimate for the 12-month period beginning 1 February 1989

20. In section IV and annex II of his report, the Secretary-General indicates that the costs of UNIFIL for the 12-month period beginning 1 February 1989 would be in the order of \$143,340,000 gross (\$141,072,000 net). This estimate assumes an average force strength of 5,850 troops, all ranks. The Advisory Committee notes that the estimate for the 12-month period beginning 1 February 1989, on a net basis, is \$1,656,000 (1.2 per cent) more than the estimate for the previous mandate period of 12 months. A breakdown of the various objects of expenditure is provided in annex II of the Secretary-General's report.

21. The Advisory Committee notes from annex II, paragraph 4, of his report that the Secretary-General is estimating a total of \$15,405,000 to cover the cost of salaries and related costs of staff. The Committee inquired into the \$1,970,000 increase over the revised apportionment for the previous mandate period. The representatives of the Secretary-General informed the Committee that the estimate for the period 1 February 1989 to 31 January 1990 had been prepared on a full cost basis, applying a 7.5 per cent turnover factor for the existing posts whereas the revised apportionment for the period 1 February 1988 to 31 January 1989 reflected the vacancies that had occurred at UNIFIL because of the need to provide experienced staff for the United Nations Iran-Iraq Military Observer Group and the United Nations Good Offices Mission in Afghanistan and Pakistan. Nevertheless, the Advisory Committee does not expect that the entire estimated amount will be required and is of the view that savings could be achieved in this item.

22. In paragraph 18 of annex II to his report, the Secretary-General estimates a total of \$2,900,000 for the purchase of transportation equipment. In addition, in paragraph 28 of annex II a total of \$9,600,000 is estimated for the maintenance and operation of motor transport and other equipment. The Advisory Committee believes that with prudent management and strict control significant economies can be achieved in this area.

23. The Advisory Committee is also of the view that savings can be achieved in the area of supplies and services (annex II, para. 32) through prudent management and strict controls.

24. The Committee notes from annex II, paragraph 54, of his report that the Secretary-General is estimating \$492,000 to cover UNIFIL's share of the cost of the integrated management information system that is proposed by him in document A/C.5/43/24. The related observations and recommendations of the Advisory Committee are contained in its report A/43/7/Add.10.

25. In paragraphs 21-24 above, the Advisory Committee has indicated areas where savings can be achieved. Bearing this in mind, the Committee recommends that the budget for UNIFIL for the 12-month period beginning 1 February 1989 should not exceed \$142,842,000 gross (\$140,574,000 net). In view of the nature of the operations, the Advisory Committee believes that the Secretary-General should be allowed the necessary flexibility to apply the reduction recommended above either in the areas indicated by the Committee or in other areas, should that be necessary in the interest of good management and efficiency.

26. On that basis the Advisory Committee recommends that the General Assembly approve commitment authority up to the level of \$11,903,500 gross (\$11,714,500 net) per month for the 12-month period beginning 1 February 1989.

27. The Advisory Committee notes that, in paragraph 11 of his report, the Secretary-General indicates the procedures that he intends to follow should future decisions of the Security Council entail costs exceeding the limits authorized by the General Assembly.
