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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/39/650). Additional information was made available to the Advisory 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 Council resolution 555 (1984) of 12 October 1984, under which the mandate of UNIFIL was extended until 19 April 1985.
3. The report of the Secretary-General includes sections on:
 - (a) Commitments for the period from 19 April to 18 October 1984;
 - (b) Cost estimate for the period from 19 October 1984 to 18 April 1985;
 - (c) Cost estimate beyond 18 April 1985.

In addition, the Secretary-General reports on disbursements made and obligations incurred for the period from 19 October 1983 to 18 April 1984 and the status of contributions (including observations thereon). In paragraph 15 he summarizes the action that needs to be taken by the General Assembly at its current session regarding the financing of UNIFIL.

4. In its consideration of the report, the Advisory Committee bore in mind the request addressed to the Secretary-General by the General Assembly in section VIII of resolution 38/38 A of 5 December 1983 to take all necessary action to ensure that UNIFIL is administered with maximum efficiency and economy.

5. The Secretary-General, in paragraph 4 of his report, states that as at 30 September 1984 he had received \$717.2 million in contributions for the operation of UNIFIL, out of \$945.3 million apportioned among Member States for the periods from the inception of the Force on 19 March 1978 to 18 October 1984. According to the Secretary-General, the balance of \$228.1 million includes \$179.4 million apportioned to Member States that have stated that they do not intend to pay for UNIFIL and \$19.6 million transferred to a special account in accordance with General Assembly resolution 36/116 A of 10 December 1981. Thus, according to the Secretary-General, only \$29.1 million of the unpaid balance may be considered collectible at this time, leaving a shortfall of \$199 million. In paragraphs 6 and 7 of his report, the Secretary-General indicates that there has been no response to the appeal for voluntary contributions to UNIFIL made by the General Assembly in its resolution 38/38 A.

6. In paragraph 8, the Secretary-General states that the shortfall of \$199 million represents 21 per cent of the total amounts apportioned among Member States to finance the costs of UNIFIL for the mandate periods from the inception of the Force on 19 March 1978 to 18 October 1984. According to the Secretary-General:

"this situation continues to pose a very serious problem for the financial management of the Force. There are increasing 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 further 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 7 above, the voluntary contributions credited to the Suspense Account amount to only \$18,356" (A/39/650, para. 8).

7. In a related matter, the Advisory Committee has been informed that the audited accounts for the biennium 1982-1983 indicate for the UNIFIL Special Account a "surplus" balance of \$6,035,305 as at 31 December 1983, 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 the period from 19 April to 18 October 1984

8. In paragraph 10 of his report, the Secretary-General indicates the commitments entered into for UNIFIL for the mandate period from 19 April to 18 October 1984. These commitments were entered into with the concurrence of the Advisory Committee under the terms of section VI of General Assembly

resolution 38/38 A. 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 \$70,446,000 gross (\$69,486,000 net) corresponding to the commitments entered into for the mandate period from 19 April to 18 October 1984.

B. Cost estimate for the period from 19 October 1984 to 18 April 1985

9. The Secretary-General indicates in paragraph 11 of his report that the costs of UNIFIL for the six-month period from 19 October 1984 to 18 April 1985, inclusive, are estimated at \$70,446,000 gross (\$69,446,000 net), based on a Force strength of 5,550.

10. The Advisory Committee notes that this anticipated troop strength compares with a level of 5,200 used as the basis for the Secretary-General's estimates of costs for the mandate period ended 18 April 1984 and for the commitment limits for subsequent mandate periods referred to by the General Assembly in part VI of resolution 38/38 A. However, the actual level experienced during the mandate period ended 18 April 1984 was 5,500, and the level upon which the Secretary-General based his request to the Advisory Committee for commitment authority for the subsequent period from 19 April to 18 October 1984 was 5,700 troops. Despite the difference in troop strength, the amount requested and authorized for commitment for the mandate period ended 18 October 1984 was the same as that which has been authorized for the previous period (annex I of the Secretary-General's report). The Advisory Committee notes from annex I that the estimate for the current mandate period, on a net basis, is, \$40,000 less than the estimate for the two previous mandate periods. In this connection, the Advisory Committee was informed that it is expected that gains on currency exchange will more than offset the effects of inflation.

11. Under the circumstances and in the light of the explanations of requirements under the various objects of expenditure given in annex II to the Secretary-General's report, the Advisory Committee has no objection to the estimate for UNIFIL for the current six-month mandate period.

12. On this basis, the Advisory Committee has, under the terms of section VI of General Assembly resolution 38/38 A, concurred in the request to enter into commitments for UNIFIL for the period from 19 October to 18 December 1984 in the amount of \$23,482,000 gross (\$23,148,667 net). This represents a one-third pro rata share of the estimate for the entire six-month mandate period and does not exceed the limits set by the Assembly in section VI of resolution 38/38 A. The Committee therefore recommends that the Assembly should appropriate this amount.

13. As for the remaining four months of the mandate period (19 December 1984 to 18 April 1985), in as much as the Advisory Committee has no objection to the overall estimate for the entire mandate period (see para. 11 above), it recommends that the General Assembly should appropriate an amount of \$46,964,000 gross (\$46,297,333 net), representing the remaining two thirds of the estimate for the

entire six-month period. In administering this appropriation, the Secretary-General should have the usual flexibility to revise apportionments between objects of expenditure.

C. Cost estimate beyond 18 April 1985

14. In paragraph 13 of his report, the Secretary-General indicates that authority needs to be provided for him to enter into commitments for UNIFIL for the period beyond 18 April 1985, should the Security Council decide to renew the mandate of the Force beyond that date. The Secretary-General requests that he be authorized to enter into commitments for the period from 19 April to 18 December 1985 at a rate not to exceed \$11,741,000 gross (\$11,574,333 net) per month, that is, on the basis of the cost estimate for the preceding six-month period ending 18 April 1985. The Secretary-General's authority would be subject to obtaining the prior concurrence of the Advisory Committee for the actual level of commitments to be entered into for each mandate period that may be approved subsequent to 18 April 1985. Taking into account its statement in paragraph 11 above with regard to the estimate of requirements for the period ending 18 April 1985, the Advisory Committee recommends approval of the Secretary-General's request.

15. The Advisory Committee notes that in paragraph 14 of his report the Secretary-General indicates the procedures which he intends to follow should future decisions of the Security Council entail costs exceeding the limits authorized by the General Assembly.
