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UNITED NATIONS EMERGENCY FORCE

Twenty-sixth report of the Advisory Committee on Administrative and Budgetary Questions to the twelfth session of the General Assembly

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the United Nations Emergency Force (UNEF) (A/3694) in the light of General Assembly resolution 1151 (XII) of 22 November 1957, by which the General Assembly:

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"3. Authorizes the Secretary-General to expend an additional amount for the Force, for the period ending 31 December 1957, up to a maximum of \$13.5 million and, as necessary, an amount for the continuing operation of the Force beyond that date up to a maximum of \$25 million, subject to any decisions taken on the basis of the review provided for in paragraph 5 below;

".....

"5. Requests the Administrative and Budgetary Committee (Fifth Committee) to examine, with the assistance of the Advisory Committee on Administrative and Budgetary Questions, and in the light of the present resolution, the cost estimates for maintaining the United Nations Emergency Force contained in the report of the Secretary-General, and to make such recommendations as it considers appropriate concerning the expenditure authorized under paragraph 3 above."

1957 estimates

2. During the eleventh session of the General Assembly the Advisory Committee held a preliminary examination of administrative and financial aspects of the Force, including financial rules, and stated in its twenty-second report

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to that session<sup>1/</sup> that it would keep the various problems under review. In July 1957, the Committee examined a memorandum by the Secretary-General containing expenditure estimates for UNEF for the first financial period ending 31 December 1957, and made certain recommendations to the Secretary-General for his guidance. The action taken by the Secretary-General is reflected in the revised estimates for the first financial period, submitted as an annex to document A/3694.

3. General Assembly resolution 1090 (XI) of 27 February 1957 authorized the Secretary-General to incur expenses during 1957 up to \$16.5 million. Resolution 1151 (XII) of 22 November 1957 has now authorized the expenditure of a further \$13.5 million, making a total authorization of \$30 million for the first financial period. The latter resolution also approved the principle that the United Nations should reimburse participating Governments (a) for any special allowances paid to members of their contingents as a direct result of service with UNEF, and (b) in the event of a contingent's serving beyond an initial six-month period or of a replacement contingent being made available, for all extra and extraordinary costs incurred. This principle involves eventual reimbursement, not only for extra costs relating to pay and allowances, but also for costs incurred in the replacement of equipment destroyed or worn-out and for such deterioration beyond that provided for under normal depreciation schedules as can be assessed at the conclusion of the total period of service of a Government's forces. While no large equipment depreciation charges will be reimbursed in 1957, the Secretary-General estimates the obligations for special allowances and for extra and extraordinary costs relating to pay and allowances at \$6.5 million which, when added to the basic common expenses of almost \$24 million, gives a total estimated cost of about \$30.5 million. Considering that this figure includes \$1 million for contingencies and that various other items in the estimates contain some margin, however, the Advisory Committee believes the authorization of \$30 million should be adequate for the first financial period ending on 31 December 1957.

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1/ Official Records of the General Assembly, Eleventh Session, Annexes, agenda item 67, document A/3402, para.26.

1958 estimates

4. In the current review, the Advisory Committee has been principally concerned with the expenditures which will be incurred against the \$25 million authorized by resolution 1151 (XII) for the continuing operation of the Force beyond 31 December 1957. According to testimony given to the Committee, 1958 expenditure will be higher than in 1957 for two categories of expenses - transportation of military personnel (mainly in connexion with rotation), and welfare and recreation - but lower for almost all of the remaining seventeen categories. The largest probable reductions are expected in maintenance of premises and equipment (\$1 million), purchase of transport and operational equipment (\$1.5 million), operation and maintenance of motor transport (\$1.5 million), miscellaneous equipment and operational supplies (\$1 million), and food costs, which the Secretary-General hopes to be able to reduce from a daily rate of \$2 to approximately \$1.60 per man.

5. The Advisory Committee has been handicapped in its review of anticipated expenditure for 1958 by the lack of more formal budget estimates for that year. While the Committee realizes that uncertainties have existed concerning the sharing of charges between the participating Governments and the United Nations, and also concerning the extent to which Governments would seek reimbursement for supplies and services furnished, it nevertheless believes that a formal budget for the Force in 1958 should be prepared and published at the earliest feasible moment. The Committee recommends that initially the budget should cover the first half-year, in effect reflecting the allotments made by the Secretary-General for that period. In view of the lower rate of expenditure foreseen for many items, the Committee considers that the total for that period should not exceed \$9 to \$10 million, exclusive of extra and extraordinary expenses as approved for reimbursement by the Organization in accordance with the terms of General Assembly resolution 1151 (XII). Estimates for the full year should subsequently be made available to the Advisory Committee in time for review during its first session of 1958. Financial statements and an audit report for 1957 will aid in the review. At that time the Committee may give further suggestions to the Secretary-General and make recommendations for final action on the 1958 UNEF budget as a first item of business at the thirteenth session of the General Assembly.

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Administrative organization and controls

6. In its review of the 1957 estimates, the Advisory Committee centred its attention on the administrative organization and controls of the Force. The Committee's impression is that, with a few exceptions of which the Commander of the Force is fully aware, the administrative controls are well conceived and adequate if fully applied. Because of the emergency situation in late 1956 and early 1957, it proved necessary to send the military personnel and equipment in advance of the administrative staff. Consequently, the records on which administrative control depends were more difficult to establish and bring up-to-date. This difficulty has been further increased by the fact that the administrative staff are split among the nine participating contingents which, with two exceptions, rotate every six months with the consequent necessity for a continuing indoctrination of new personnel. Furthermore, because civilian financial and administrative personnel have been borrowed from other regular tasks, they have been in the field with the Force normally for assignments of no more than six months. At Headquarters, in the earlier stages, arrangements for over-all direction in the field of administration and finance were somewhat diffuse, and the problem has been to clarify and exercise fully the several responsibilities for supervision and control.

7. The paramount need now is to make special efforts to ensure that the existing procedures are adequately implemented and enforced. It is apparent that the lack of a published budget detailed under the various heads of expenditure means that there is no standard against which the achievement of control can be measured. Unless needs can be related to available resources, the logistics staff and the civilian administrators lack common terms of reference within which they can agree on the reasonableness of requests for supplies and services. It is for this reason that the Advisory Committee has, in paragraph 5 above, emphasized the compelling need for the Secretary-General to produce as soon as feasible a budget for the first six months of 1958. The Committee strongly recommends that he work within an over-all limitation of \$9 to \$10 million for this period, and suggests that a plan of operation at the lower level would be in the interest of all concerned.

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8. The Advisory Committee believes that, now the initial emergency has passed, emphasis should be placed on obtaining competitive bids for supplies and services whenever possible. However, since rule 106.4 (b) of the Provisional Financial Rules for the Special Account provides six different grounds for awarding contracts without either competitive bidding or advertising, the Committee has requested that it be provided with a list of all contracts placed under that rule during 1958.

Areas of expenditure deserving further attention

9. In its detailed examination of the 1957 estimates, the Advisory Committee learned of certain areas of expenditure which offered possibilities for reducing the current rate of expenditures during the course of 1958.

10. Food supplies for military personnel, at a cost of \$4,410,000,<sup>2/</sup> are the largest single item of expenditure for the Force. The Committee was informed that the Secretary-General hoped to reduce the current level of expenditure from a daily rate of \$2 per man to \$1.60 in 1958. Menus have been standardized to a considerable extent and it is doubtful if there is much variation between contingents in the average cost per man. Nevertheless, the Committee is not convinced that the difference between this cost and the average daily amount for rations in national units with high standards is wholly attributable to the special circumstances confronting UNEF. Now that the Force is operating on a more routine basis, additional attention should be given to procurement in the open market at best prevailing prices. Longer-term contracts for such items as meat and fish might help to reduce costs. The quantities served by the mess personnel should be more closely supervised by the central administrative services in order to ensure that there is no waste. Consideration might be given to the possibility of centralizing control of food purchases and menus in the hands of a highly qualified specialist who would be responsible for achieving a lower average cost per man.

11. The petrol, oil and lubricants for the UNEF planes cost \$900,000<sup>3/</sup> and a further \$190,000 is provided in respect of a hotel rented for the squadron based on Naples. The Committee understands that the more normal operation of

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<sup>2/</sup> Estimates for the first financial period ending 31 December 1957.

<sup>3/</sup> Ibid.

UNEF may make it possible in February 1958 to dispense with the air lift of four planes from Naples. It is recommended that the need for the six additional planes based at EL Arish be kept under continuous review to determine the possibility of further reductions.

12. Evidence given to the Committee indicates that \$1,000 to \$1,500 a month could be saved by reducing the twenty-four hours a day operation of the Geneva to New York link of the United Nations radio network. It is recommended that the Secretary-General urgently pursue the possibility of achieving further substantial savings by installing at Gaza a more powerful transmitter which could reach New York directly without being relayed by the Geneva Office.

13. It is estimated that the reimbursement of extra and extraordinary costs relating to pay and allowances, as approved by General Assembly resolution 1151 (XII) of 22 November 1957, may average \$95 a month for each member of the military personnel. This charge for military personnel will be more than doubled by the costs of transportation, food, leave, housing, etc. On the other hand, wages paid unskilled local labour average less than \$35 a month while local clerical and trades personnel received about \$100. Consequently, the Committee recommends that a continuous review be made of the possibilities of making more extensive use of local employees for non-military duties.

14. The operation and maintenance of motor transport and equipment cost \$2,840,000.<sup>4/</sup> Evidence indicates that there is need for more extensive control over records concerning the consumption per vehicle of fuel and equipment. The Committee supports the desire of the Chief of the United Nations Command to cut costs by achieving a higher standard of maintenance for the automotive equipment.

15. A provision of \$50,000<sup>5/</sup> has been made for travel of members of the Headquarters' Secretariat to the mission area in connexion with substantive inspection, observation and financial control purposes. A further \$15,000 has been budgeted, mainly for travel to Europe in connexion with procurement. Now that the operation of the Force is on a more routine basis, the Committee considers that future expenditure of this nature might be substantially curtailed.

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<sup>4/</sup> Estimates for the first financial period ending 31 December 1957.

<sup>5/</sup> Ibid.