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

United Nations Emergency Force and 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 Emergency Force (UNEF) and of the United Nations Disengagement Observer Force (A/34/582 and Corr.1). Additional information was made available to the Advisory Committee by representatives of the Secretary-General.
2. UNEF was established under Security Council resolution 340 (1973) of 25 October 1973 and was subsequently extended on several occasions, most recently by Security Council resolution 438 (1978) of 23 October 1978 for a period of nine months to 24 July 1979. The Security Council did not renew the mandate of UNEF beyond 24 July 1979. UNDOF was established by Security Council resolution 350 (1974) and has since been extended, most recently by Security Council resolution 449 (1979) of 30 May 1979 for a period of six months until 30 November 1979.
3. The report of the Secretary-General can be divided into three parts:
 - (a) Review of the expenditure and obligations of UNEF during the period 25 October 1978 to 24 July 1979, inclusive, and of UNDOF during the period 25 October 1978 to 24 October 1979, inclusive;
 - (b) Cost estimates for the repatriation of contingents and the liquidation of UNEF;
 - (c) Cost estimates for UNDOF beyond 24 October 1979.

In addition, the Secretary-General reports on the status of contributions and the financial administration of UNDOF. In paragraph 17 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 UNEF and UNDOF. Details on items (a), (b) and (c) above are provided in annexes I, II and III, respectively, to the Secretary-General's report.

4. The Secretary-General states in paragraph 5 of his report that, as at 30 September 1979, the amounts of assessed contributions paid by Member States for UNEF/UNDOF totalled \$452.7 million for the six-year period from 25 October 1973 to 24 October 1979 (to 24 July 1979 in respect of UNEF). The balance due from Member States amounts to \$79 million, of which \$52.9 million is comprised of amounts apportioned among Member States which have stated that they do not intend to pay towards UNEF and UNDOF requirements. Thus, according to the Secretary-General, only \$26.1 million of the unpaid balance may be considered collectible. The Secretary-General goes on to state, in paragraph 8 of his report, that this situation poses an increasingly serious problem for the financial management of the Forces. The Secretary-General indicates that he "has continually faced difficulties in meeting the obligations of the Forces on a current basis, particularly those due to the troop contributors, payments to which have never been made on time and are falling farther behind. Moreover, the troop contributors have not been reimbursed fully in accordance with rates agreed upon. They have conveyed to the Secretary-General their very serious concern over this situation, which places a heavy burden on their Governments."

5. On a related matter, the Advisory Committee was informed that the interim accounts as at 31 December 1978 - which, being for the first calendar year of the biennium 1978-1979, are not yet audited - indicate for the UNEF/UNDOF Special Account a "surplus" balance of \$5,260,420 as at 24 October 1978. This balance represents excess of income over expenditure due to savings effected in liquidating prior years' obligations, plus interest and miscellaneous credits accrued to the Account. The word "income" in the preceding sentence includes "assessed contributions", irrespective of collectibility. However, in fact, 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. The balance of \$5,260,420, therefore, may be considered to represent no more than a theoretical surplus at this time.

A. Expenses of UNEF from 25 October 1978 to 24 July 1979 inclusive, and of UNDOF from 25 October 1978 to 24 October 1979 inclusive

6. The disbursements and obligations for UNEF and UNDOF during these periods are dealt with in section III and annex I of the Secretary-General's report (A/34/582 and Corr.1). The following tables compare (by object of expenditure) disbursements and obligations (shown below and in the Secretary-General's report as "revised apportionments") in 1978-1979 with initial allocations prepared by the Secretary-General to accord with the amounts approved for UNEF and UNDOF by the General Assembly at its thirty-third session.

United Nations Emergency Force (UNEF)

Revised apportionments and initial allocations for the period
 from 25 October 1978 to 24 July 1979

(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 | 1 488 | 1 468 | 20 |
| (b) Salaries and related costs of staff | 5 197 | 5 204 | (7) |
| (c) Travel and subsistence of military personnel | 275 | 300 | (25) |
| (d) Rations | 3 039 | 2 821 | 218 |
| (e) Rental, maintenance, utilities and construction of premises | 1 006 | 1 083 | (77) |
| (f) Rental of aircraft | 2 354 | 2 390 | (36) |
| (g) Communications | 39 | 80 | (41) |
| 2. <u>Force-wide equipment and supplies</u> | | | |
| (a) Purchase of transportation equipment | 1 288 | 2 000 | (712) |
| (b) Purchase of other equipment | 800 | 889 | (89) |
| (c) Maintenance and operation of motor transport and other equipment | 3 619 | 3 400 | 249 |
| (d) Supplies and services | 2 165 | 1 880 | 285 |
| (e) Freight, cartage and express | 922 | 900 | 22 |
| (f) Reimbursement for cost of depreciation of contingent- owned equipment and reimbursement for supplies | 1 800 | 1 800 | - |
| 3. <u>Rotation of contingents</u> | 3 052 | 2 440 | 612 |
| 4. <u>Death and disability awards</u> | 356 | 356 | - |
| 5. <u>Welfare</u> | 441 | 562 | (121) |

| | <u>Revised apportion- ments</u> | <u>Initial allocations</u> | <u>Increase (decrease)</u> |
|--|---|--------------------------------|--------------------------------|
| 6. <u>Payment for troop costs</u> | | | |
| (a) Pay and allowances for troops at the standard rate of \$600 per man-month, plus a supplementary \$200 per man- month for a limited number of specialists | 26 854 | 27 084 | (230) |
| (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 | 2 635 | 2 659 | (24) |
| 7. <u>Staff assessment</u> | <u>699</u> | <u>743</u> | <u>(44)</u> |
| Total | <u><u>58 059</u></u> | <u><u>58 059</u></u> | <u><u>-</u></u> |

United Nations Disengagement Observer Force (UNDOF)

Revised apportionments and initial allocations for the period
from 25 October 1978 to 24 October 1979

(in thousands of United States dollars)

| | <u>Revised</u> <u>apportion-</u> <u>ments</u> | <u>Initial</u> <u>allocations</u> | <u>Increase</u> <u>(decrease)</u> |
|---|---|--------------------------------------|--------------------------------------|
| 1. <u>Local area and backstopping costs</u> | | | |
| (a) United Nations daily allowance to troops | 542 | 542 | - |
| (b) Salaries and related costs of staff | 1 373 | 1 358 | 15 |
| (c) Travel and subsistence of military personnel | 36 | 30 | 6 |
| (d) Rations | 1 027 | 1 067 | (40) |
| (e) Rental, maintenance, utilities and construction of premises | 1 057 | 1 057 | - |
| (f) Rental of aircraft | 76 | 76 | - |
| (g) Communications | 11 | 7 | 4 |
| 2. <u>Force-wide equipment and supplies</u> | | | |
| (a) Purchase of transportation equipment | 379 | 400 | (21) |
| (b) Purchase of other equipment | 386 | 386 | - |
| (c) Maintenance and operation of motor transport and other equipment | 1 400 | 1 400 | - |
| (d) Supplies and services | 1 021 | 980 | 41 |
| (e) Freight, cartage and express | 278 | 300 | (22) |
| (f) Reimbursement for cost of depreciation of contingent-owned equipment and reimbursement for supplies | 500 | 500 | - |
| 3. <u>Rotation of contingents</u> | 765 | 680 | 85 |
| 4. <u>Death and disability awards</u> | 125 | 125 | - |
| 5. <u>Welfare</u> | 154 | 222 | (68) |

| | <u>Revised apportion- ments</u> | <u>Initial allocations</u> | <u>Increase (decrease)</u> |
|---|---|--------------------------------|--------------------------------|
| 6. <u>Payment for troop costs</u> | | | |
| (a) Pay and allowances for troops at the standard rate of \$600 per man-month, plus a supplementary \$200 per man- month for a limited number of specialists | 9 883 | 9 883 | - |
| (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 | 979 | 979 | - |
| 7. <u>Staff assessment</u> | 202 | 202 | - |
| Total | <u>20 194</u> | <u>20 194</u> | <u>-</u> |

B. Cost estimates for repatriation of contingents
and liquidation of UNHCR

7. In paragraph 10 of his report the Secretary-General states that since no appropriations were available for the repatriation of troops and the liquidation of UNHCR upon the expiration of its mandate (24 July 1979), he sought the concurrence of the Advisory Committee in his entering into the necessary commitments under the terms of General Assembly resolution 32/214 on unforeseen and extraordinary expenses for the biennium 1978-1979. The Advisory Committee concurred in his entering into commitments in an amount not exceeding \$8 million for the period from 25 July to 24 October 1979 inclusive.

8. For the reasons described in paragraph 11 of his report, the Secretary-General estimates the cost of repatriation of the contingents and liquidation of UNHCR at \$18,202,000 and income at \$4,534,000. This cost estimate includes expenditures for the period from 25 July to 24 October 1979 incurred under the authorization to enter into commitments referred to above.

9. With regard to the estimates of income, the Advisory Committee notes that an amount of \$534,000 relates to income from staff assessment, and that the balance of \$4 million represents estimated income from disposal of surplus property (equipment, stores and other supplies) by transfer to other peace-keeping operations, or by sale. Information provided to the Advisory Committee indicates that nearly \$3.7 million of the \$4 million estimate relates to income from the transfer of surplus property to other peace-keeping operations. The Committee understands that the other peace-keeping operations are to be charged an average of 50 per cent of the "book value" of the property to be transferred; the actual charge for each item will depend on its condition. The Committee notes from paragraph 20 of annex II to the Secretary-General's report that it is proposed to stockpile UNHCR surplus property, which is in excess of the currently foreseen needs of other peace-keeping operations, for their future use, with credit accruing to UNHCR at the time when such property is transferred to those operations. The amount which will ultimately accrue to UNHCR in this respect is tentatively estimated by the Secretary-General at \$2 million. This amount is not included in the figure of \$4 million of estimated income shown under this heading.

10. In view of the information contained in annex II to the report of the Secretary-General as well as the explanations provided by his representatives, the Advisory Committee has no objection to the estimates of \$18,202,000 gross and \$13,668,000 net proposed by the Secretary-General for the repatriation of contingents and liquidation of UNHCR. The Committee trusts that the operation will be carried out with strict attention to efficiency and economy.

C. Cost estimates for UNDOF beyond
24 October 1979

11. As indicated by the Secretary-General in section V and annex III to his report, the estimated cost of UNDOF for the period 25 October to 30 November 1979 inclusive is \$2,062,827 gross and \$2,042,193 net of staff assessment; this estimate corresponds to a rate of \$1,682,833 gross (\$1,666,000 net) per month.

12. The Secretary-General indicates in paragraph 14 of his report that, should the Security Council renew the mandate of UNDOF beyond 30 November 1979 and assuming a troop strength of 1,360 all ranks (200 troops more than hitherto), the cost of UNDOF would be of the order of \$2,096,333 gross (\$2,077,000 net) per month from 1 December 1979 onwards.

13. In the paragraphs below the Advisory Committee first discusses the cost estimates for UNDOF for the period 25 October to 30 November 1979, inclusive. The Committee then submits its observations and recommendations on the Secretary-General's estimates for the period from 1 December 1979 to 30 November 1980 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 1979. The Committee notes that the period from 1 December 1979 to 30 November 1980, used as the basis for the estimates in annex III to the Secretary-General's report, is related to a proposal by the Secretary-General for a new special financial period for UNDOF (see para. 18 below).

Estimates for UNDOF for 25 October-30 November 1979, inclusive

14. The Advisory Committee notes that the estimate of the cost of UNDOF from 25 October to 30 November 1979, inclusive, i.e. for the remainder of its current mandate period, is calculated at the monthly rate already approved for the first part (1 June to 24 October 1979) of the mandate. In the circumstances, the Committee recommends acceptance of the amount of \$2,062,827 gross (\$2,042,193 net) requested by the Secretary-General.

Estimates for UNDOF for 1 December 1979-30 November 1980,
inclusive

15. The following table provides a comparison between revised apportionments for UNDOF from 25 October 1978 to 25 October 1979 and estimates of the cost of UNDOF from 1 December 1979 to 30 November 1980:

United Nations Disengagement Observer Force (UNDOF)

Cost estimates from 1 December 1979 to 30 November 1980, inclusive
and expenses from 25 October 1978 to 24 October 1979, inclusive

(in thousands of United States dollars)

| | <u>1979-1980</u> <u>estimates</u> | <u>1978-1979</u> <u>revised</u> <u>apportion-</u> <u>ments</u> | <u>1979-1980</u> <u>increase</u> <u>(decrease)</u> |
|---|--------------------------------------|---|--|
| <u>1. Local area and backstopping costs</u> | | | |
| (a) United Nations daily allowance to troops | 637 | 542 | 95 |
| (b) Salaries and related costs of staff | 1 834 | 1 373 | 461 |
| (c) Travel and subsistence of military personnel | 100 | 36 | 64 |
| (d) Rations | 1 360 | 1 027 | 333 |
| (e) Rental, maintenance, utilities and construction of premises | 1 417 | 1 057 | 360 |
| (f) Rental of aircraft | 76 | 76 | - |
| (g) Communications | 8 | 11 | (3) |
| <u>2. Force-wide equipment and supplies</u> | | | |
| (a) Purchase of transportation equipment | 526 | 379 | 147 |
| (b) Purchase of other equipment | 652 | 386 | 266 |
| (c) Maintenance and operation of motor transport and other equipment | 2 400 | 1 400 | 1 000 |
| (d) Supplies and services | 1 113 | 1 021 | 92 |
| (e) Freight, cartage and express | 300 | 278 | 22 |
| (f) Reimbursement for cost of depreciation of contingent-owned equipment and reimbursement for supplies | 450 | 500 | (50) |
| <u>3. Rotation of contingents</u> | 882 | 765 | 117 |
| <u>4. Death and disability awards</u> | 125 | 125 | - |
| <u>5. Welfare</u> | 252 | 154 | 98 |

| | <u>1979-1980 estimates</u> | <u>1978-1979 revised apportion- ments</u> | <u>1979-1980 increase (decrease)</u> |
|---|--------------------------------|---|--|
| 6. <u>Payment for troop costs</u> | | | |
| (a) Pay and allowances for troops at the standard rate of \$680 per man-month, plus a supplementary \$200 per man-month for a limited number of specialists | 11 644 | 9 883 | 1 761 |
| (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 | 1 148 | 979 | 169 |
| 7. <u>Staff assessment</u> | 232 | 202 | 30 |
| Total, lines 1-7 | <u>25 150</u> | <u>20 194</u> | <u>4 956</u> |
| 8. <u>Income from staff assessment</u> | <u>232</u> | <u>202</u> | <u>30</u> |

16. As can be seen from the table, the increase in the 1979-1980 estimates over the 1978-1979 revised apportionments is approximately \$5 million. Information provided to the Advisory Committee indicates that most of this increase is directly related to the addition of 200 troops to the Force as agreed to by the Security Council (see para. 14 of the Secretary-General's report) and also to the consequences of the liquidation of UNEF.

17. Under the circumstances the Advisory Committee recommends acceptance of the Secretary-General's estimates of \$25,156,000 gross (\$24,924,000 net) for UNDOF for the period 1 December 1979 to 30 November 1980 should its mandate be extended beyond 30 November 1979. The Advisory Committee understands that, should the Security Council extend the mandate of UNDOF for a period of less than 12 months, the requirements will be pro-rated accordingly.

D. Financial administration of UNDOF

18. The Secretary-General indicates in paragraph 16 of his report that the special financial period of 12 months from 25 October of one year to 24 October of the next was approved for the financial administration of the UNEF/UNDOF Special Account based on the dates of UNEF's mandate periods. With the termination of the UNEF operation, the Secretary-General proposes that the special financial period of UNDOF, should its mandate be continued by the Security Council, be from 25 October 1979 to 30 November 1980 inclusive, and, thereafter, be for 12-months periods beginning from the first day of December of one year to 30 November of the next, in line with UNDOF's mandate periods thus far. The Advisory Committee recommends acceptance of the Secretary-General's proposal.