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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 Force (UNDOF) (A/41/705) and the United Nations Interim Force in Lebanon (UNIFIL) (A/41/783 and Corr.1). During its consideration of the item, 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 resolution 40/59 A, section IV, paragraph 2, of 2 December 1985 and resolution 40/246 A, section VI, of 18 December 1985, that the Secretary-General should take all necessary action to ensure that both UNDOF and UNIFIL are administered with maximum efficiency and economy.

If. 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 584 (1986) of 29 May 1986 for another period of six months, that is, until 30 November 1986.

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

(a) Expenditure and revised apportionment for periods from 1 December 1984 to 30 November 1986;

(b) cost estimates beyond 30 November 1986.

Details on (a) and (b) above are provided in annexes I and II to the report. Additionally, the status of contributions to UNDOF is reported in paragraphs 4 to 7. Actions that need to be taken by the General Assembly at its current session in respect of the financing of UNDOF are summarized in paragraph 11 of the report.

5. In paragraph 4 of his report, the Secretary-General states that, as at 30 September 1986, a total of \$699.6 million in contributions for UNDOF and the United Nations Emergency Force (UNEF) had been received for the period from inception to 30 November 1986. The table in paragraph 7 shows that, as at 30 September 1986, the balance due from Member States amounts to \$74.5 million, of which only \$7.2 million is estimated to be collectible. The balance of \$67.3 million comprises amounts apportioned to Member States that have stated that they do not intend to pay for UNDOF (\$31.3 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 7 to the fact that "there is a shortfall of approximately \$7.7 million in the UNDOF Special Account in respect of the periods from 25 October 1979 to 30 November 1986. The shortfall arising from the previous periods of UNDOF up to 24 October 1979 together with UNEF until its liquidation in 1980 is estimated at \$59.6 million. In the circumstances, troop contributors have not been paid on time; moreover, they have not been reimbursed fully in accordance with rates agreed upon. They have continued to convey to the Secretary-General their very serious concern over this situation, which places a heavy burden on their Governments." The Advisory Committee also notes from paragraph 6 of the report that no voluntary contributions have been received in response to section IV, paragraph 1, of General Assembly resolution 40/59 A.

6. On a related matter, the Advisory Committee was informed that the interim accounts for the biennium 1984-1985 indicate for the Special Account for UNEF and UNDOF a "surplus" balance of \$1,496,703 for the year 1985, 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 1984 to 30 November 1986

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.

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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 1985 to 30 November 1986 as compared with initial allocations prepared by the Secretary-General to accord with amounts approved for UNDOF by the General Assembly at its fortieth session.

United Nations Disengagement Observer Force (UNDOF)

Revised apportionment and initial allocation for the period
from 1 December 1985 to 30 November 1986

(Thousand4 of United States dollar a)

	Revised apportion- ment	Initial allocation	Incr. or (decrease)
1. <u>Local area and backstopping costs</u>			
(4) United Nations daily allowance to troops	623	621	-
(b) Salaries and related costs of staff	4 237	4 824	(587)
(c) Travel and subsistence of military personnel	47	70	(23)
(d) Ration4	1 775	1 050	(75)
(e) Rental, maintenance, utilities and construction of premises . . .	2 162	1 966	196
(f) Rental of aircraft			
(g) Communications	20	18	2
2. <u>Force-wide equipment and supplies</u>			
(4) Purchase of transportation equipment	728	630	98
(b) Purchase of other equipment	1 146	1 056	90
(c) Maintenance and operation of motor transport and other equipment	3 069	3 012	57
(cl) Supplies and services	1 902	1 956	(54)
(e) Freight, cartage and express . . .	240	300	(60)
(f) Reimbursement for depreciation of contingent-owned equipment . .	1 059	924	135
3. <u>Rotation of contingents</u>	1 338	1 291	47
4. <u>Death and disability awards</u>	299	125	174
5. <u>Welfare</u>	275	275	-

	<u>Revised apportion- ment</u>	<u>Initial allocation</u>	<u>Increase (decrease)</u>
6. <u>Payment for troop costs</u>			
(4) <u>Pay and allowance for troops . . .</u>	15 848	15 848	
(b) <u>Usage factor for personal clothing, gear and equipment . . .</u>	1 121	1 121	
7. <u>Staff assessment</u>	<u>675</u>	<u>675</u>	- -
Total, lines 1-7	36 564	36 564	
8. <u>Income from staff assessment</u>	675	675	
9. <u>Other income</u>	<u>20</u>	<u>20</u>	
10. <u>Total net</u>	<u>35 869</u>	<u>35 869</u>	

B. Cost estimate for UNDOF beyond 30 November 1986

9. In section IV and annex II to his report the Secretary-General indicates that, should the Security Council renew the mandate of UNDOF beyond 30 November 1986 (see pars. 3 above), the costs would be in the order of \$2,900,000 gross (\$2,850,000 net) per month from 1 December 1986 onwards. This estimate assumes an average Force strength of 1,320 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 1985 to 30 November 1986 and estimates of the cost of UNDOF from 1 December 1986 to 30 November 1987.

United Nations Disengagement Observer Force (UNDOF)

**Cost estimate from 1 December 1986 to 30 November 1987 and revised
apportionment from 1 December 1985 to 30 November 1986**

(Thousands of United States dollars)

	<u>1986/1987 estimate</u>	<u>1985/1986 revised apportionment</u>	<u>1986/1987 increase (decrease)</u>
1. <u>Local area and backstopping costs</u>			
(a) United Nations daily allowance to troops	623	623	-
(b) Salaries and related costs of staff	3 618	4 237	(619)
(c) Travel and subsistence of military personnel	47	47	

	1986/1987 <u>estimate</u>	1985/1986 <u>revised</u> <u>apportionment</u>	1986/1987 <u>increase</u> <u>(decrease)</u>
(d) Rations	1 694	1 775	(81)
(e) Rental, maintenance, utilities and construction of premises . . .	1 745	2 162	(417)
(f) Rental of aircraft*	3		3
(q) Communications	20	20	
2. <u>Force-wide equipment and supplies</u>			
(a) Purchase of transportation equipment	717	728	(11)
(b) Purchase of other equipment	1 123	1 146	(23)
(c) Maintenance and operation of motor transport and other equipment	2 638	3 069	(431)
(d) Supplies and services	1 850	1 902	(52)
(e) Freight, cartage and expree . . .	200	240	(40)
(f) Reimbursement for depreciation of contingent-owned equipment . .	1 033	1 059	(26)
3. <u>Rotation of contingents</u>	1 400	1 333	62
4. <u>Death and disability awards</u>	280	299	(19)
5. <u>Welfare</u>	260	275	(15)
6. <u>Payment for troop costs</u>			
(a) Pay and allowance for troops . . .	15 848	15 848	
(b) Usage factor for personal clothing, gear and equipment . . .	1 A21	1 121	
7. <u>Staff assessment</u>	580	675	(95)
Total, lines 1-7 ,	<u>34 800</u>	<u>36 564</u>	<u>(1 754)</u>
8. <u>Income from staff assessment</u>	580	675	(95)
9. <u>Other income</u>	20	20	
10. <u>Total net</u> "	<u>34 200</u>	<u>35 869</u>	<u>(A 669)</u>

11. As can be seen from the table above, the total decrease, on a net basis, in 1986/1987 is \$1,669,000 or 4.7 per cent. In annex IJ, paragraph 2, the Secretary-General proposes that the UNDOF staffing table remain unchanged from that authorized for 1985/1986, at 155 (8 at the Professional level and above, 10 General Service, 31 Field Service and 106 Local level).

12. The Advisory Committee notes the decreases and increases indicated for various objects of expenditure in the table following paragraph 8 above and the reasons given by the Secretary-General in annex II of his report.

13. The Advisory Committee recommends that the estimate of the Secretary-General for the cost of UNDOF in 1986/1987 should be approved. Subject to the decisions to

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be taken by the Security Council on the renewal of the mandate of UNDOF after 30 November 1986 (see para. 3 above), requirements for UNDOF for the 12-month period from 1 December 1986 to 30 November 1987 should not exceed \$34,800,000 gross (\$34,200,000 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 586 (1986) of 18 July 1986, under which the mandate of UNIFIL was extended until 19 January 1987.

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

- (a) Commitments for the period 19 April to 18 December 1986;
- (b) Cost estimate for the period from 19 December 1986 to 18 January 1987;
- (c) Cost estimate for the 12-month period beginning 19 January 1987.

Details on (a) and (b) above are provided in annexes I and II of document k/41/783. Additionally, the status of contributions to UNIFIL is reported in paragraphs 4 to 8 of the Secretary-General's report. In paragraph 14 the Secretary-General summarizes the actions that need to be taken by the General Assembly at its forty-first session regarding the financing of UNIFIL.

16. The Secretary-General, in paragraph 4 of his report, states that as at 30 September 1986 he had received \$935.8 million in contributions for the operation of UNIFIL, out of \$1,250.3 million apportioned among Member States for the periods from the inception of the Force on 19 March 1978 to 18 December 1986. According to the Secretary-General, the balance of \$114.5 million includes \$22.3 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 \$71.9 million of the unpaid balance may be considered collectible at this time, leaving a shortfall of \$242.6 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 40/246 A, section V, paragraph 1; however, voluntary contributions in cash totalling \$34,356 have been received as at 30 September 1986 from Member States in response to paragraph 2 of the same resolution.

17. In paragraph 8, the Secretary-General states that the shortfall of \$242.6 million represents approximately 19 per cent of the total amount 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 December 1986. According to the Secretary-General:

"This situation continues to pose a very serious problem for the financial management of the Force. There are continuing 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 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. As mentioned in paragraph 7 above, the voluntary contributions credited to the Suspense Account amount to only \$34,356". (A/41/783, para. 8)

18. On a related matter, the Advisory Committee has been informed that the accounts for the biennium 1984-1985 indicate for the UNIFIL Special Account a "surplus" balance of \$4,763,620 for the year 1985, 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 19 April to 18 December 1986

19. In paragraph 9 of his report, the Secretary-General indicates the commitments entered into for UNIFIL for the mandate period from 19 April to 18 December 1986. These commitments were entered into with the concurrence of the Advisory Committee under the terms of section IV of General Assembly resolution 40/246. 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 \$95,659,500 gross (\$94,099,500 net), corresponding to the commitments entered into for the mandate period from 19 April to 18 December 1986.

B. Cost estimate for the period from 19 December 1986 to 18 January 1987.

20. The Secretary-General indicates in paragraph 10 of his report that the costs of UNIFIL for the one-month period from 19 December 1986 to 18 January 1987 are estimated at \$16,579,000 gross (\$16,384,000 net), based on an average Force strength of 5,860 troops (see annex I of the report). According to the Secretary-General this estimate "represents an amount equal to the average monthly commitment for the prior eight-month period, in addition to a provision of \$4,621,500 for security enhancement measures urgently required in UNIFIL". Paragraph 11 of the report provides details of the envisaged security measures. The Advisory Committee requested additional information regarding the "acquisition of 29 armoured cars" and was informed that these vehicles would be placed at the disposal of UNIFIL, at United Nations request, by the troop-contributing

Governments on a reimbursable basis. The cost to the Organization for such contingent-owned equipment follows the approved general guidelines, which provide for reimbursement in respect of such authorized equipment over a period of four years at standard rates approved by the General Assembly. The Committee was further informed that the Organization does not normally assume ownership or title to contingent-owned equipment as the troop-contributing Governments generally repatriate their equipment upon the withdrawal of their contingents from the Force. In such an event the residual value of the equipment, based on previous usage, present condition and future life expectancy, would be credited to the Organization.

C. Cost estimate for the 12-month period beginning 19 January 1987

21. In paragraphs 12 and 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 January 1987. The Secretary-General states that the cost of UNIFIL for the 12-month period beginning 19 January 1987 are estimated at \$145,500,000 gross (\$143,064,000 net; based on an average Force strength of 6,000 troops. The Advisory Committee notes that this anticipated troop strength compares with a level of 5,860 used as the basis for the Secretary-General's estimates of costs for the mandate period ending 18 January 1987. The Committee further notes that the estimate for the 12-month period beginning 19 January 1987, on a net basis is \$957,000 (1.4 per cent) more than the estimate for each of the two previous mandate periods. A breakdown of the various subjects of expenditure is provided in annex II of the Secretary-General's report. The Advisory Committee takes note of the increases and decreases in the annex as well as the reasons provided therefor.

22. Taking into account what is stated in paragraph 2 above, the Advisory Committee recommends approval of the Secretary-General's estimate. In a departure from past practice, there is no mention in the Secretary-General's report that the prior concurrence of the Advisory Committee will be obtained for the actual level of commitments to be entered into for each mandate period that may be approved after 18 January 1987.

23. The Advisory Committee, taking into account recent experience in this matter, has no objection to allowing the Secretary-General to commit funds for UNIFIL up to the limit of the authority approved by the General Assembly without its prior concurrence. However, the Committee believes that such commitment authority should continue to be expressed as a monthly amount rather than as a lump sum for an entire 12-month period. On this basis, the Advisory Committee recommends that the General Assembly approve commitment authority up to the level of \$12,125,000 gross (\$11,922,000 net) per month for the 12-month period beginning 19 January 1987.

24. The Advisory Committee notes that in paragraph 13 of his report the Secretary-General indicates the procedures that he intends to follow should future decisions of the Security Council entail cost exceeding the limits authorized by the General Assembly.