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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 the reports of the Secretary-General on the financing of the United Nations Disengagement Observer Force (UNDOF) (A/45/716) and the United Nations Interim Force in Lebanon (UNIFIL) (A/45/002). During its consideration of the items, additional information was provided to the Advisory Committee by the representatives of the Secretary-General.

2. The observations and recommendations of the Advisory Committee on UNDOF and UNIFIL are contained in section IV below. In its consideration of the two reports, the Advisory Committee bore in mind the requests of the General Assembly in paragraph 9 of resolution 44/187 and paragraph 5 of resolution 44/188, both of 21 December 1989, that the Secretary-General should take all necessary measures to ensure that 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 679 (1990) of 30 November 1990, for another period of six months until 31 May 1991.

The Secretary-General states in his report that a total of \$866.5 million in contributions Emergency Force (UNEF) had been received for the period from inception to 30 November 1990 para. 4). The balance from Member States amounted to \$52.4 million, of which only \$8.9 million was estimated to be collectible at this time. The balance of

withheld their payment for UNDOF and \$36 million transferred to a special account in accordance with General Assembly resolution 36/116 of 10 December 1981. In this connection,

"approximately \$6.2 million of the shortfall is in respect of the periods from 25 October 1979 to 30 November 1990, while million is attributable to the previous periods of UNDOF up to 24 October 1979 together with UNEF until its liquidation in 1980" (ibid., para. 5).

5. On a related matter, the Advisory Committee was informed that the audited accounts for the biennium 1988-1989 indicate that the Special Account for UNEF and UNDOF shows a surplus balance of \$2,017,408 as at 31 December 1989, representing

to the Account and savings arising from liquidation of obligations for prior periods. According to the Secretary-General, the word "income" sentence "assessed contributions", irrespective of collectibility.

The disbursements and obligations for UNDOF from 1 December 1989 to 30 November 1990 as compared with the initial allocation (apportionment) are shown of the report of the Secretary-General. Supplementary information on the performance for above including a detailed description under each line item, is provided in annex II.

7. In section V of his report, the Secretary-General indicates that the cost for the renewal of the mandate of UNDOF beyond 30 November 1990 would be in the order of \$3,446,500 gross (\$3,366,500 net) per month from 1 December 1990 onwards. This estimate is based on an average force strength of 1,327 troops, all ranks, and assumes that the existing responsibilities of UNDOF will continue,

8. The cost estimate for the 12-month period from 1 December 1990 to 30 November 1991, as compared with the expenditure from 1 December 1988 to 30 November 1989 and the revised apportionment for the period from 1 December 1989 to 30 November 1990 is summarized in annex III of the Secretary-General's report. Supplementary information on the cost estimate, including a detailed description under each line item, is provided in annex IV and the current and proposed staffing table in annex V.

#### III. UNITED NATIONS INTERIM FORCE IN LEBANON

9. 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 Security Council resolution 659 (1990) of 31 July 1990, for another period of six months until 31 January 1991.

13. The Secretary-General states in paragraph 4 of his report (A/45/802) that as at 31 October 1990 he had received \$1,476.4 million in contributions for the operation of UNIPIL, out of \$1,834.1 million apportioned among Member States for the periods from inception of the force on 19 March 1978 to 31 January 1991. According to the Secretary-General, the balance of \$357.7 million includes \$186.9 million apportioned to Member States that have withheld payment for UNIPIL and \$19.6 million transferred to a special account in accordance with General Assembly resolution 36/116 A of 10 December 1981. Thus, only \$151.2 million may be considered collectible at this time, leaving a shortfall of \$206.5 million.

11. In response to the appeal for voluntary contributions to UNIPIL made by the General Assembly in paragraph 6 of resolution 44/188, the Secretary-General had received some contributions in the form of services and supplies from one Government (A/45/802, para. 6) that were not budgeted for in the cost estimates. In paragraph 7 of the report, the Secretary-General indicates that as at 31 October 1990 voluntary contributions in cash to the Suspense Account totalling \$4.6 million had been received from Governments.

12. In paragraph 12, the Secretary-General states that, as a consequence of the shortfall of \$206.5 million:

UNIPIL has been 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 the rate; established by the General Assembly. So far, the Suspense Account established in accordance with General Assembly resolution 34/9 D has not achieved its purpose of alleviating the financial burden on troop contributors.

The Secretary-General's concern is reiterated in paragraph 17 of his report, in which he appeals to all Member States to pay their assessments in full and without delay. He appeals also to Governments, as a practical measure, to make voluntary contributions to the UNIPIL Suspense Account, which has been set up by the General Assembly to facilitate the reimbursement of amounts due to Governments contributing troops, equipment and supplies to UNIFIL.

13. On a related matter, the Advisory Committee was informed that the audited accounts for the biennium 1988-1989 indicate that the UNIPIL Special Account shows a "surplus" balance of \$21,897,147 as at 31 December 1989, representing excess of income over expenditure due to interest and miscellaneous credits accrued to the Account (\$8,531,935) and savings arising from liquidation of obligations for prior periods (\$13,365,212). 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. The balance of \$21,897,147, therefore, may be considered to represent no more than a theoretical surplus at this time.

14. The disbursements and obligations for UNIPIL From 1 February 1990 to 31 January 1991 as compared with the initial allocation (apportionment) are shown in the UNIPIL performance report for the above period under section IV and annex 1

of the report of the **Secretary-General** Supplementary information on the performance report, including a detailed description under each line item, is provided in annex II.

15. In section V of his report, the Secretary-General indicates that the costs of UNIFIL for the 12-month period from 1 February 1991 to 31 January 1992 are estimated at **\$12,789,000 gross (\$12,557,000 net)** per month, based on an average Force strength of 5,850 troops. The cost estimate for the above period as compared with the expenditure from 1 February 1989 to 31 January 1990 and the revised apportionment from 1 February 1990 to 31 January 1991 is summarized in annex III of the report of the Secretary-General. Supplementary information on the cost estimate, including a detailed description under each line item, is provided in annex IV and the current and proposed staffing table in annex V.

#### IV. OBSERVATIONS AND RECOMMENDATIONS

16. Reference was made in paragraph 5 above to a surplus balance of **\$2,017,408** for UNDOF. The Advisory Committee requested information as to the Suspense Account for UNEF and UNDOF and received the following:

##### Surplus placed in the Suspense Account (UNEF/UNDOF)

<u>Resolution</u>	<u>Amount</u>
	(United States dollars)
33/13E	17 603 065
34/7D	5 260 420
35/45B	6 825 999
36/66	2 694 446
37/38B	7 403 489
38/35B	5 191 637
39/28B	4 824 613
40/59B	3 250 131
41/44B	1 496 703
42/70B	1 331 921
43/228	2 413 235
44/187	<u>2 024 706</u>
Subtotal	60 410 365
Less: Amount transferred to a special account per resolution 36/116 A	<u>(35 987 110)</u>
Total	24 423 255
Logs: Outstanding assessed contributions as at 31 October 1990 (ST/ADM/SER.B/342)	<u>(16 362 922)</u>
Balance	<u>8 060 333</u>

17. The Committee was informed that the balance of \$8,060,333 as outlined above is subject to change as it is dependent on the willingness and ability of Member States to pay their future assessed contributions in full and on time. Any increase in uncollected assessed contributions will diminish the balance available since these resources will have to be utilized, to the extent necessary, to supplement the income received from assessed contributions for the maintenance and operation of this mission. The balance of \$8,060,333 does not include the surplus of \$2,017,408.

18. In addition, as indicated in paragraph 7 of the Secretary-General's report, the unencumbered balance for UNDOF for the period from 1 December 1989 to 30 November 1990 is \$887,000 gross (\$765,000 net). The Secretary-General proposes to credit this unencumbered balance against assessed contributions to Member States for mandate periods subsequent to 30 November 1990, should the Security Council decide to continue UNDOF. The Advisory Committee was informed that the Secretary-General is not proposing to retain the unencumbered balance because of substantial payment of arrears to the UNEF/UNDOF account.

19. In view of this development, the Committee sees no reason why the surplus balance of \$2,017,408 referred to above should not also be credited to Member States. As for the current estimated balance of \$8,060,333 already in the Suspense Account (see table in para. 16 above), it is the intention of the Advisory Committee to review the situation next year with a view to making recommendations to the General Assembly at its forty-sixth session as to the appropriate disposition of the balance at that time.

20. The Advisory Committee notes that the net total of the proposed 1990/1991 estimate for UNDOF of \$40.4 million represents a 4 per cent increase as compared with the 1989/1990 revised apportionment of \$38.7 million (A/45/716, annex III) while the net total of the proposed 1991/1992 estimate for UNIFIL of \$150.7 million increases the 1990/1991 revised apportionment of \$112.2 million by 6 per cent (A/45/802, annex III). In this connection, the Committee notes the recent increases of costs for salaries and allowances of staff, as well as of rental, maintenance and construction of premises and purchase of transportation and communication equipment; these increases are due to inflation.

21. The Committee notes, however, that the civilian staff costs have increased substantially over the last two years and are disproportionately high as compared with the total cost estimates. At UNDOF, the civilian staff costs increased by \$1,627,000, or 32 per cent, from \$5,011,000 in 1988/1989 to \$6,638,000 in 1990/1991. At UNIFIL, it is proposed to increase the civilian staff costs by \$5,798,000, or 44 per cent, from \$13,169,000 in 1989/1990 to \$18,967,000 in 1991/1992.

22. The Committee was informed that the increase in civilian staff costs is due to the recent increase of salaries and allowances of staff in the Field Service and other categories, introduction of a mobility and hardship allowance, an anticipated lower vacancy rate in 1991/1992 and reclassification of posts. The Committee expresses its concern about the continued increase in civilian staff costs, which absorb a growing portion of the total costs of UNDOF and UNIFIL.

23. The Committee further notes that the costs for premises/accommodation at UNDOF and UNIFIL have increased substantially over the last years and the problems appear not to have been resolved in a satisfactory manner. At UNDOF, disbursements and obligations for the acquisition, construction and renovation of premises from December 1989 to November 1990 amounted to \$607,000, as compared with \$160,000 initially allocated. At UNIFIL, the costs for premises/accommodation have almost doubled, from \$2,354,000 in 1989/1990 to \$4,408,000 in 1991/1992.

24. The Committee notes that there is no formal status-of-forces agreement between the host country and the United Nations for UNDOF and that "in view of the escalating cost of present accommodation facilities at UNDOF, the Organization is again exploring the feasibility of acquiring a United Nations-owned headquarters complex for UNDOF in Damascus" (A/45/716, para. 18). The Committee was informed that the substantial increase of costs for UNDOF in 1990 was due to higher than originally estimated costs for construction of premises and a considerable increase in rent and maintenance. With regard to UNIFIL, the Committee was informed that urgently required construction that was delayed over the last years had to be carried out in 1991/1992. Furthermore, large security components were being installed in the premises to provide adequate protection,

25. The Committee expresses its concern about the substantial and continued increase in costs for premises/accommodation for both UNDOF and UNIFIL. In this connection, the Committee recalls the relevant provisions of the model status-of-forces agreement between the United Nations and host countries, as requested by the General Assembly in paragraph 11 of resolution 44/49 and contained in A/45/594, paragraphs 16 and 17, as follows:

The Government of [host country] shall provide without cost to the United Nations peace-keeping operation and in agreement with the Special Representative/Commander such areas for headquarters, camps or other premises as may be necessary for the conduct of the operational and administrative activities of the United Nations peace-keeping operation and for the accommodation of the members of the United Nations peace-keeping operation . . .

The Government undertakes to assist the United Nations peace-keeping operation as far as possible in obtaining and making available, where applicable, water, electricity and other facilities free of charge, or, where this is not possible, at the most favourable rate, and in the case of interruption or threatened interruption of service, to give as far as is within its powers the same priority to the needs of the United Nations peace-keeping operation as to essential government services.

26. The Committee therefore recommends that the Secretary-General pursue his negotiations with the host countries concerned to obtain more preferential conditions for the construction and rental of premises and accommodation as well as a more favourable exchange rate in respect of all the requirements of UNDOF and UNIFIL.

27. Subject to its observations and taking into account paragraphs 22 to 26 above, the Advisory Committee recommends that the General Assembly approve the estimates

of the Secretary-General for UNDOF for the mandate period from 1 December 1990 to 30 November 1991 (para. 8 above) and for UNIFIL for the mandate period from 1 February 1991 to 31 January 1992 (para. 15 above). As regards the unencumbered balance of \$887,000 gross (\$765,000 net) for UNDOF as at 31 October 1990, the Committee recommends, as proposed by the Secretary-General in his report (A/45/716, para. 7) that Member States be credited with this amount against their assessed contributions for mandate periods subsequent to 30 November 1990. As indicated in paragraph 19 above, the Committee also recommends that a further \$2,017,408, representing the surplus balance in the UNDOF account as at 31 December 1989, be similarly credited to Member States.

28. Subject to the decision to be taken by the Security Council on the renewal of UNDOF after 31 May 1991, requirements for UNDOF for the period from 1 December 1990 to 30 November 1991 should not exceed \$41,358,000 gross (\$40,398,000 net). On that basis the Advisory Committee recommends that the General Assembly approve commitment authority up to the level of \$3,446,500 gross (\$3,366,500 net) per month for the 12-month period beginning 1 December 1990.

29. Subject to the decision to be taken by the Security Council on the renewal of UNIFIL after 31 January 1991, requirements for UNIFIL for the period from 1 February 1991 to 31 January 1992 should not exceed \$153,468,000 gross (\$150,684,000 net). On that basis the Advisory Committee recommends that the General Assembly approve commitment authority up to the level of \$12,789,000 gross (\$12,557,000 net) per month for the 12-month period beginning 1 February 1991. The Committee notes that, in paragraph 10 of his report (A/45/802), the Secretary-General indicates the procedures that he intends to follow should future decisions of the Security Council regarding the status of UNIFIL entail costs exceeding the limits authorized by the General Assembly.

30. The Committee further recommends 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.