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FINANCING OF THE UNITED NATIONS PEACE-KEEPING FORCES  
IN THE MIDDLE EASTReview of the rates of reimbursement to the Governments  
of troop-contributing StatesReport of the Secretary-General

## I. INTRODUCTION

1. The General Assembly, by its resolution 40/247 of 18 December 1985 decided, inter alia, that the rates of reimbursement to the Governments of troop-contributing States should be reviewed by the Secretary-General, in consultation with the troop-contributing States, in the light of inflation and currency-exchange fluctuations or other factors brought to the attention of the Secretary-General, the current rates appreciably affected the absorption factor of two or more of the troop-contributing States. In addition, the Assembly requested the Secretary-General to report to it on the matter at least once every two years. This report is the first to be submitted in accordance with that resolution.

2. Standard rates of reimbursement were initially established by a decision of the General Assembly at the 2303rd plenary meeting of its twenty-ninth session, on 29 November 1974. These standard rates fixed, on the basis of equality of treatment, the level of reimbursement to be made to Governments of troop-contributing States for the costs incurred by them in providing troops for service in the United Nations peace-keeping forces. The rates of reimbursement, which became effective on 25 October 1973, were reviewed in 1977, 1980 and 1985, and were revised in 1977 and 1980.

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\* A/42/50.

3. The current rates, which became applicable to the United Nations Disengagement Observer Force (UNDOF) on 1 December 1980 and to the United Nations Interim Force in Lebanon (UNIFIL) on 19 December 1980, are as follows:

(a) \$950 Per person per month for pay and allowances for all ranks;

(b) \$280 per person per month as supplementary payment for specialists, comprising 25 per cent of logistical contingents and 10 per cent for other contingents;

(c) \$65 per person per month for the usaae factor for personal clothing, gear and equipment for all ranks;

(d) \$5 per person per month for personal weaponry, including ammunition, for all ranks.

## II. CONSIDERATIONS

4. The introduction of standard rates of reimbursement established the amounts payable, on an equal basis, to Governments for their troops, which serve side by side in the peace-keeping forces. In this regard, it was recognized at that time that, based on an equitable standard rate of reimbursement formula, certain troop-contributing States would not receive full reimbursement for the expenses borne by them in providing troops to the United Nations peace-keeping force. However, the rates should reimburse all troop-contributing States at least that portion that was paid to their troops as actual overseas allowances.

5. The reviews undertaken in 1977, 1980 and 1985 have shown that the costs to Governments in providing troops to the peace-keeping forces vary widely among the Member States. Consequently, the current standard rates of reimbursement could not fully compensate all Governments for their troop costs but provide, at least, reimbursement for the actual overseas allowances paid to their troops. The portion of the costs to those troop-contributing States that is not compensated for by the standard rates of reimbursement and that is absorbed by the respective Member States is referred to as the absorption factor.

6. At the time the present rates were established in 1980, the cost to the troop-contributing States for pay and allowances for troops when compared with the reimbursements made by the United Nations showed that the overall average absorption factor among the troop-contributing States was 45.9 per cent. The last review, which was undertaken in 1985, indicated that the overall average absorption factor had fallen below the 1980 level to 34.3 per cent. An extrapolation of the 1985 review data, based on the changes that have occurred since then in inflation and currency exchange rates, has indicated that the overall average absorption factor, as at 31 December 1986, had risen to 46.3 per cent. This represented an average overall increase in the absorption factor of 0.4 per cent. above the 1980 level, though in the case of individual troop-contributing States the actual increase would vary.

### III. CONCLUSIONS

7. As the overall average absorption factor as at the end of 1986 was similar to that which existed in 1980 when the existing standard rates of reimbursement were established, it would appear that the current rates are not unreasonable and, therefore, would not warrant an adjustment at this stage. Consultations under the terms of resolution 40/247 were undertaken between members of the Secretariat and representatives of the States contributing troops to UNDOF (Austria, Canada, Finland and Poland) and CENFIL (Fiji, Finland, France, Ghana, Ireland, Italy, Nepal, Norway and Sweden). On the basis of those consultations, it is proposed that the current standard rate of reimbursement, as stated in paragraph 3 above, be retained until a further review is conducted. It was noted, however, that as a consequence of the continuing shortfall in the receipt of assessed contributions to the peace-keeping special accounts, troop-contributing States were not being reimbursed on a current basis or to the full extent of the established rates.