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Agenda items 133 (a) and (b)FINANCING OF THE UNITED NATIONS PEACE-KEEPING
FORCES IN THE MIDDLE EASTUnited Nations Disengagement Observer ForceUnited Nations Interim Force in LebanonReport 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~~ Observer Force (UNDOF) (A/44/630) and the United Nations Interim Force in Lebanon (UNIFIL) (A/44/818). During its consideration of the items, 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 and UNIFIL are contained in sections II and III below, respectively. In its consideration of the reports of the Secretary-General, the Advisory Committee bore in mind the requests of the General Assembly in resolution 43/228, paragraph 9, of 21 December 1988 and resolution 43/229, paragraph 7, of 21 December 1988, that the Secretary-General should take all necessary action to ensure that both 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 645 (1989) of 29 November 1989, for another period of six months, that is, until 31 May 1990.

4. The Secretary-General states that a total of \$801 million in contributions for UNDOF and the United Nations Emergency Force (UNEF) had been received for the period from inception to 30 November 1989 (A/44/630, para. 4). The balance due from Member States amounted to \$78.2 million, of which only \$10 million was **estimated** to be collectible. The balance of \$68.2 million comprised amounts apportioned to Member States that have withheld their payment for UNDOF (\$32.2 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 to the fact that "approximately \$7.7 million of the shortfall is in respect of the periods from 25 October 1979 to 30 November 1989, while *some \$60.5 million* is attributable to the previous periods of UNDOF up to 24 October 1979 together with UNEF until its liquidation in 1980. In the circumstances, troop contributors have not been reimbursed on time" (*ibid.*, para. 5).

5. On a related matter, the Advisory Committee was informed that the interim accounts for the biennium 1988-1989 indicate that the Special Account for UNEF and UNDOF shows a "surplus" balance of \$2,024,706 as at 31 December 1988, representing excess of income over expenditures owing 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 collectability. 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 1987 to 30 November 1989

6. The disbursements and obligations for UNDOF for this 24-month period are discussed in section IV and annex I of the report of the Secretary-General.

7. 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 1988 to 30 November 1989 as compared with initial allocations prepared by the Secretary-General to accord with amounts approved by the General Assembly at its forty-third session.

United Nations Disengagement Observer Force

**Revised apportionment and initial allocation for the
period from 1 December 1988 to 30 November 1989**

(Thousands of United States dollars)

	<u>Revised apportionment</u>	<u>Initial allocation</u>	<u>Increase (decrease)</u>
1. <u>Local area and backstopping costs</u>			
(a) United Nations daily allowance to troops	620	623	(3)
(b) Salaries and related costs of staff	6 041	4 600	1 441
(c) Travel and subsistence of military personnel	50	50	-
(d) Rations *	1 955	1 966	(11)
(e) Rental, maintenance, utilities and construction of premises	2 120	2 120	-
(f) Communications	25	25	-
2. <u>Force-wide equipment and supplies</u>			
(a) Purchase of transportation equipment *a*	750	750	
(b) Purchase of other equipment	831	910	(79)
(c) Maintenance and operation of motor transport and other equipment	3 018	2 800	218
(d) Supplies and services	1 624	1 800	(176)
(e) Freight, cartage and express	140	160	(20)
(f) Reimbursement for depreciation of contingent-owned equipment		825	(825)
3. <u>Rotation of contingents</u>	1 055	1 200	(145)
4. <u>Death and disability awards</u>		400	(400)
5. <u>Welfare</u>	240	240	

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	Revised <u>apportionment</u>	Initial <u>allocation</u>	Increase (<u>decrease</u>)
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	1 121	. 121	-
7. <u>Integrated management information system</u>	130	130	-
8. <u>Staff assessment</u> *	<u>660</u>	<u>660</u>	-
Total, lines 1-8	<u>3 6</u>	3 6	-
9. <u>Income from staff assessment</u> I...	660	660	-
10. <u>Other income</u>	12	12	-
11. <u>Total net</u>	<u>35 556</u>	<u>35 556</u>	-

B. Cost estimate for UNDOF beyond 30 November 1989

8. In section V and annex II of his report, the Secretary-General indicates that, should the Security Council renew the mandate of UNDOF beyond 30 November 1989 (see para. 3 above), the costs would be in the order of **\$3,368,000 gross** (\$3,283,000 net) per month from 1 December 1989 onwards. This estimate assumes an average force strength of 1,327 troops, all ranks, and also assumes that the existing responsibilities of UNDOF will continue,

9. The following table provides a comparison between the revised apportionment from 1 December 1988 to 30 November 1989 and the estimates of the cost of UNDOF from 1 December 1989 to 30 November 1990.

United Nations Disengagement Observer Force

Cost estimate from 1 December 1989 to 30 November 1990 and revised apportionment from 1 December 1988 to 30 November 1989

(Thousands of United States dollars)

	<u>1989/1990 estimate</u>	<u>1988/1989 revised apportionment</u>	<u>1989/1990 increase (decrease)</u>
1. <u>Local area and backstopping costs</u>			
(a) United Nations daily allowance to troopsI.....	623	620	3
(b) Salaries and related costs of staff	7 449	6 041	1 408
(c) Travel and subsistence of military personnel	50	50	
(d) Rations	2 250	1 955	295
(e) Rental, maintenance, utilities and construction of premises	2 101	2 120	(19)
(f) CommunicationsI.....*.....	25	25	
2. <u>Force-wide equipment and supplies</u>			
(a) Purchase of transportation equipment	1 385	750	635
(b) Purchase of other equipment	814	831	(17)
(c) Maintenance and operation of motor transport and other equipment	3 450	3 018	432
(d) Supplies and services	1 680	1 624	56
(e) Freight, cartage and express	140	140	
(f) Reimbursement for depreciation of contingent-owned equipment	716		716
3. <u>Rotation of contingents</u>	1 100	1 055	45
4. <u>Death and disability awards</u>I.....	400		400
5. <u>Welfare</u>I.....	240	240	

	1989/1990 <u>estimate</u>	1988/1989 revised <u>apportionment</u>	1989/1990 increase (decrease)
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	1 121	1 121	
7. <u>Integrated management information system</u>	17	130	(113)
8. Staff	<u>1 007</u>	<u>660</u>	<u>347</u>
Total, lines 1-8	<u>40 416</u>	<u>36 228</u>	<u>4</u>
9. <u>Income from staff assessment</u>	1 007	660	347
10. <u>Other income</u> * * *	<u>13</u>	<u>12</u>	<u>1</u>
11. <u>Total net</u>	<u>39 396</u>	<u>35 556</u>	<u>3</u>

10. As can be seen from the table above, the total increase on a net basis, in 1989/1990 is **\$3,840,000**, or 10.8 per cent,

11. As indicated by the Secretary-General in annex II, paragraph 3, of his report, the UNDOF staffing table comprises 155 posts, unchanged from 1988/1989 (8 at the Professional level and above, 10 General Service, 31 Field Service and 106 Local level). The Advisory Committee notes, however, that salaries and related costs of staff have increased by **\$2,599,346** from **\$4,849,654** in 1987/1988 to **\$7,449,000** in 1989/1990. The Advisory Committee inquired regarding this increase and was informed that, based on three salary surveys which were conducted by the United Nations Development Programme in January 1988, December 1988 and October 1989, in accordance with standards and methodology of the International Civil Service Commission, local salaries increased by 58.7 per cent in 1988/1989 over 1987/1988 and are estimated to increase by 42.4 per cent in 1989/1990 over 1988/1989. The Advisory Committee was informed that there is more than one official exchange rate for Syrian pounds and that the rate applied to the United Nations is not the best prevailing rate. This situation has a major effect on local salary costs, which is compounded by the fact that exchange rates do not necessarily reflect local price movements. In view of the above, the Advisory Committee invites the Secretary-General to explore with the authorities of the Syrian Arab Republic the feasibility of a more favourable rate for the United Nations.

12. In annex II, paragraph 9, to his report, the Secretary-General estimates a total of **\$2,250,000** for rations, an increase of \$295,000 over the 1988/1989 revised apportionment. The **Advisory Committee** was informed that this increase is attributable to an increase in the cost of fresh rations in the mission area.

13. In annex II, paragraph 17, to his report, the Secretary-General estimates a total of **\$1,385,000** for the purchase of transportation equipment, an increase of \$635,000 over the 1988/1989 revised apportionment. The **Advisory Committee** notes that this relates to the replacement of 75 vehicles. In addition, the **Committee** notes from paragraph 19 of the annex that **UNDOF requires five armoured personnel carriers** costing approximately **\$1,500,000** and two water trucks costing \$114,000 which UNDOF proposes to procure from troop-contributing Governments as part of the contingent-owned equipment.

14. The Advisory Committee understands that these prospective purchases, which would be paid for over a maximum period of four years, are part of a trend at both UNDOF and UNIFIL to standardise contingent-owned equipment, especially with regard to armoured personnel carriers. The **Committee** welcomes this development) it is of the view, however, that non-military contingent-owned equipment should be priced in the same manner as similar equipment which is available on the international market.

15. In annex II, paragraph 54, to his report the Secretary-General discusses UNDOF's share in the financing of the integrated management information system. The Advisory Committee is supportive of the continued and expanded application of modern technology, especially in the areas of inventory and office automation. The Advisory Committee points out that the use of such technology will reduce the need for additional support staff. In this connection, the **Advisory Committee** was informed that UNDOF is lagging behind UNIFIL in this area and trusts that steps will be taken to remedy the situation.

16. During its visit to peace-keeping operations (see b/44/725, para. 2) the Advisory Committee was informed that civilian and military functions were being integrated to the extent possible in the areas of procurement, communications, engineering services, maintenance of camps and observation posts and certain areas in logistics. The Advisory Committee encourages the pursuance of this policy to the extent possible consistent with sound management and efficiency.

17. The Advisory Committee recommends that the estimate of the Secretary-General for the cost of UNDOF in 1989/1990 should be approved. Subject to the decisions to be taken by the Security Council of the renewal of the mandate of UNDOF after 31 May 1990 (see para. 3 above), requirements for UNDOF for the 12-month period from 1 December 1989 to 30 November 1990 should not exceed **\$40,416,000** gross (**\$39,396,000 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

18. 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 639 (1989) of 31 July 1989, under which the mandate of TJNIFIL was extended until 31 January 1990.

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

(a) Commitments for the period from 1 February 1988 to 31 January 1990;

(b) Cost estimate for the U-month period beginning 1 February 1990.

Details on (a) and (b) above are provided in annexes I and II of the report (A/44/818). In addition, the status of contributions to UNIFIL is reported in paragraphs 4 to 8 of the Secretary-General's report. In paragraph 13 the Secretary-General discusses the financial situation of UNIFIL. The actions that need to be taken by the General Assembly at its forty-fourth session are **summarized** in paragraph 32 of the Secretary-General's report.

20. The Secretary-General, in paragraph 4 of his report, states that, as at 30 September 1989, he had received **\$1,324.4** million in contributions for the operation of UNIFIL, out of **\$1,691.7** million apportioned among Member States for the periods from the inception of the Force on 19 March 1978 to 31 January 1990. According to the Secretary-General, the balance of \$367.3 million includes \$209 million apportioned to Member States that have withheld payment for **UNIFIL** and \$19.6 million transferred to a special account in accordance with General Assembly resolution **36/116 A**. Thus, only \$138.7 million may be considered collectible at this time, leaving a shortfall of \$228.6 million.

21. As indicated in the report of the Secretary-General, in response to the appeal for voluntary contributions to UNIFIL made by the General Assembly in its resolution 431229, paragraph 8, as at 30 September 1989, he had received some contributions in the form of services and supplies from one Government (see **A/44/818, para. 6**). The Secretary-General also reports that the cash contribution of \$3 million (see **A/43/826/Corr 1**, had been utilised to defray expenses arising from the acquisition of logistic equipment and supplies over and above those budgeted for in the cost estimates of the Secretary-General. In paragraph 7 of the report (A/44/818), the Secretary-General indicates that voluntary contributions in cash to the Suspense Account (established in accordance with resolution **34/9 D** of 17 December 1979) totalling \$2.9 million had been received as at 30 September 1989.

22. In paragraph 8, the Secretary-General states that, as a consequence of the shortfall of \$228.6 million,

"UNIFIL is 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 rates established by the General Assembly. The troop-contributing countries have continued to convey to the Secretary-General their very serious concern **over** this situation,

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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."

The Secretary-General's concern is reiterated in paragraph 13 of his report, in which he appeals "in the strongest terms to all Member States to pay their assessments without delay".

23. On a related matter, the Advisory Committee has been informed that the interim accounts for the UNIFIL Special Account indicate a "surplus" balance of \$3,078,849 as at 31 December 1988, 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 1 February 1988 to 31 January 1990

24. In paragraph 9 and annex I of his report, the Secretary-General discusses the commitments entered into for the two 12-month periods from 1 February 1988 to 31 January 1990. 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 February 1989 to 31 January 1990 as compared with initial allocations prepared by the Secretary-General to accord with amounts approved by the General Assembly at its forty-third session.

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United Nations Interim Force in Lebanon

Revised apportionment and initial allocation for the period
from 1 February 1989 to 31 January 1990

(Thousands of United States dollars)

	<u>Revised</u> <u>apportion-</u> <u>ment</u>	<u>Initial</u> <u>allocation</u>	<u>Increase</u> <u>(decrease)</u>
1. <u>Local area costs</u>			
(a) United Nations daily allowance to troops	2 747	2 747	
(b) Salaries and related costs of staff . . .	12 907	15 227	(2 320)
(c) Travel and subsistence of military personnel	410	420	(10)
(d) Rations	7 950	8 016	(66)
(e) Rental, maintenance, utilities and construction of premises	3 000	2 700	300
(f) Rental of aircraft	4 200	4 200	
(g) communication s	182	133	49
2. <u>Force-wide equipment and supplies</u>			
(a) Purchase of transportation equipment . . .	4 300	2 800	1 500
(b) Purchase of other equipment	2 000	2 000	
(c) Maintenance and operation of motor transport and other equipment	9 740	9 500	248
(d) Supplies and services	4 900	4 780	200
(e) Freight, cartage and express	524	395	129
(f) Reimbursement for contingent-owned equipment	1 500	1 500	
3. <u>Rotation of contingents</u>	8 270	8 300	(30)
4. <u>Death and disability awards</u>	2 000	2 000	
5. <u>Welfare</u>	1 000	1 000	
6. <u>Payment for troop costs</u>			
(a) Pay and allowance for troops	69 470	69 470	-
(b) Usage factor For personal clothing, gear and equipment	4 914	4 914	-
7. <u>Integrated management information system</u> . . .	492	492	-
8. <u>Staff assessment</u>	2 240	2 240	
Total, line 6 1-A	<u>842</u>	<u>142 042</u>	
9. <u>Income from staff assessment</u>	2 248	2 240	
10. Other income	<u>20</u>	<u>20</u>	
11. <u>Total net</u> *	<u>5407 4</u>	<u>5407 4</u>	<u>-</u>

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25, The Advisory Committee recommends that the General Assembly should appropriate an amount of \$142,8 gross (\$140,574,000 net), corresponding to the commitments entered for the period from 1 February 1989 to 31 January 1990.

B. Cost estimate for the 12-month period beginning 1 February 1990

26, In section V and annex II of his report, the Secretary-General indicates that the costs of UNIFIL for the 12-month period beginning 1 February 1990 would be in the order of \$144,012,000 gross (\$141,672,000 net). This estimate assumes an average force strength of 5,850 troops, all ranks. The following table provides a comparison between the revised apportionment from 1 February 1989 to 31 January 1990 and the estimates of the cost of UNIFIL from 1 February 1990 to 31 January 1991,

United Nations Interim Force in Lebanon

Cost estimate from 1 February 1990 to 31 January 1991 and revised
apportionment from 1 February 1989 to 31 January 1990

(Thousands of United States dollars)

	<u>1990/91</u> <u>estimate</u>	<u>1989/90</u> revised <u>apportionment</u>	<u>1990/91</u> increase <u>(decrease)</u>
1. <u>Local area costs</u>			
(a) United Nations daily allowance to troops	2 747	2 747	
(h) Salaries and related costs of staff . . .	16 071	12 907	3 164
(c) Travel and subsistence of military personnel	415	410	5
(d) Ration8	7 950	7 950	
(e) Rental, maintenance, utilities and construction of premises	3 000	3 000	80
(f) Rental of aircraft 1	4 400	4 200	200
(g) communicationa	140	182	(42)
2. <u>For-e-wide equipment and supplies</u>			
(4) purchase of transportation equipment . . .	2 900	4 300	(1 400)
(b) Purchase of other equipment	2 000	2 000	-
(c) Maintenance and operation of motor transport and other equipment	9 800	9 740	52
(d) Supplies and services	4 700	4 980	(280)
(e) Freight, csrtage and exprees	500	524	(24)
(f) Reimbursement for contingent-owned equipment	1 200	1 500	(300)
3. <u>Rotation of contingents</u>	8 400	8 270	130
4. <u>Death and disability awardn</u>	2 000	2 000	
5. <u>Welfare</u>	950	1 000	(50)
6. <u>Payment for troop costs</u>			
(a) Pay and allowance for troops	69 470	69 470	
(h) Usage factor for personal clothing, gear and equipment	4 914	4 914	
7. <u>Integrated management information system</u>	55	492	(437)
8. <u>Staff assessment</u>	2 320	2 240	72
Total, lines 1-8	<u>144 012</u>	<u>142 042</u>	<u>1 170</u>
9. <u>Income from staff assessment</u>	2 320	2 248	72
10. <u>Other income</u>	20	20	-
11. <u>Total net</u>	<u>141 670</u>	<u>140 574</u>	<u>1 098</u>

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27. The Advisory Committee notes that the estimate for the 12-month period beginning 1 February 1990, on a net basis, is \$1,098,000 (0.8 per cent) higher than the estimate for the previous mandate period of 12 months.

28. As indicated by the Secretary-General in annex II, paragraph 2, of his report, the UNIFIL staffing table comprises 516 posts, the total of which is unchanged from 1989/1990, comprising 475 posts in the mission area (21 Professional and 9 above, 110 General Service, 136 Field Service and 208 local staff), 39 overload posts (16 Professional and 23 General Service) at Headquarters and 2 overload posts (Field Service) at Geneva. The Secretary-General indicates that within the total there is an increase of one overload post in the Professional category and a corresponding reduction of one post in the General Service category resulting from the job classification exercise. Annex II also contains an explanation of the various objects of expenditure proposed by the Secretary-General. In that regard the Advisory Committee notes the increases as well as the reasons given therefore,

29. The Advisory Committee recommends that the General Assembly approve the estimate of the Secretary-General for UNIFIL for 1990-1991. Subject to the decisions to be taken by the Security Council on the renewal of UNIFIL after 31 January 1990, requirements for UNIFIL for the 12-month period from 1 February 1990 to 31 January 1991 should not exceed \$144,012,000 gross (\$141,672,000 net).

30. On that basis the Advisory Committee recommends that the General Assembly approve commitment authority up to the level of \$12,001,000 gross (\$11,806,000 net) per month for the 12-month period beginning 1 February 1990. 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.

31. The Advisory Committee notes that, in paragraph 11 of his report, the Secretary-General indicates the procedures that he intends to follow should future decisions of the Security Council entail costs exceeding the limits authorized by the General Assembly.
