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Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters**Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters****Report of the Secretary-General***Summary*

The present report contains the financial performance report of the United Nations Protection Force (UNPROFOR), the United Nations Confidence Restoration Operation in Croatia, known as UNCRO, the United Nations Preventive Deployment Force (UNPREDEP) and the United Nations Peace Forces headquarters.

The report contains information on reimbursement to troop-contributing Governments, actions taken pursuant to General Assembly resolutions 50/235 of 7 June 1996 and 51/12 of 4 November 1996, voluntary contributions and the status of the United Nations Peace Forces headquarters special account.

The actions to be taken by the General Assembly are set out in paragraph 1 of the present report.

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I. Overview

(Thousands of United States dollars)

<i>Category of expenditure</i>	<i>Performance reports</i>	<i>Actual expenditures</i>	<i>Variance</i>	<i>Additional requirements</i>	<i>Total requirements</i>
Gross requirements	4 835 728.9	4 451 356.1	(383 221.8)	179 899.7	4 631 255.8
Income from staff assessment	(35 922.0)	(34 561.8)	1 358.2	-	(34 561.8)
Net requirements	4 799 806.9	4 416 794.3	(381 861.6)	179 899.7	4 596 694.0
Voluntary contributions in kind (budgeted)	5 013.6	5 013.6	-	-	5 013.6
Voluntary contributions in kind (non-budgeted)	37 334.4	141 161.8	103 827.4	-	141 161.8
Total	4 878 076.9	4 591 970.5	(279 381.6)	179 899.7	4 771 070.6

1. For the detailed reasons explained in paragraphs 40 to 42 below, the actions to be taken by the General Assembly are as follows:

(a) A decision to retain an amount of \$1,193,000 gross (\$963,300 net) from the amount of \$1,199,200 gross (\$1,070,300 net) concurred in by the Advisory Committee on Administrative and Budgetary Questions from the unencumbered balance of \$3,467,200 gross (\$4,094,200 net) for the period from 1 July 1996 to 30 June 1997 to meet the cost of completing the liquidation of the mission;

(b) A decision to retain an amount of \$179,899,700 gross and net from the balance of appropriations of \$304,179,027 gross (\$304,955,370 net) to meet the cost of outstanding government claims;

(c) A decision to temporarily suspend the provisions of financial regulations 4.3, 4.4 and 5.2 (d) in respect of the remaining surplus of \$124,279,327 gross (\$125,055,670 net) in the light of the chronic cash shortage of the Organization.

II. Introduction

A. Pre-implementation period

2. Following the signing of the Implementing Accord at Sarajevo on 2 January 1992, concerning the modalities for carrying out the unconditional ceasefire that had been agreed at Geneva on 23 November 1991, the Security Council, by its resolution 727 (1992) of 8 January 1992, authorized the deployment of 50 military liaison officers to Yugoslavia to promote the maintenance of the ceasefire. The officers were sent on the assumption that the military liaison group would be superseded by a larger peacekeeping operation.

3. In a report to the Security Council dated 4 February 1992 (S/23513), the Secretary-General informed the Council that circumstances did not permit him to recommend the deployment of a United Nations peacekeeping operation at that time. The Secretary-General proposed, however, that the authorized strength of the

military liaison officers be increased to 75 officers. By its resolution 740 (1992) of 7 February 1992, the Security Council approved the Secretary-General's proposal.

B. Establishment of the United Nations Protection Force

4. In a subsequent report to the Security Council dated 15 February 1992 (S/23592), the Secretary-General recommended that the Council establish the United Nations Protection Force (UNPROFOR) in Yugoslavia for an initial period of 12 months in order to maintain the ceasefire. UNPROFOR was established by the Security Council on 21 February 1992 by its resolution 743 (1992), as an interim arrangement to create the conditions of peace and security required for the negotiation of an overall settlement of the Yugoslav crisis that would not prejudice the outcome of such negotiations.

5. The original Force was deployed in three United Nations Protected Areas in certain parts of Croatia, namely Eastern Slavonia, Western Slavonia and the Krajina which, for United Nations purposes, were divided into four sectors (North, South, East and West). The concept of operations was set out in annex III to document S/23280 dated 11 December 1991 and sections II and III of document S/23592. The authorized strength and mandate of the Force throughout Croatia, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia were enlarged by the Security Council in subsequent resolutions, as set out in annex I to the present report. The operational requirements of these enlargements were described in the reports of the Secretary-General to the Security Council dated 6 June 1992 (S/24075), 26 June 1992 (S/24188), 10 July 1992 (S/24263), 27 July 1992 (S/24353), 10 September 1992 (S/24540), 28 September 1992 (S/24600), 5 November 1992 (S/24767), 9 December 1992 (S/24923), 8 April 1993 (S/25555), 15 May 1993 (S/25777), 14 June 1993 (S/25939), 11 March 1994 (S/1994/291 and Corr.1), 24 March 1994 (S/1994/333) and 9 June 1995 (S/1995/470).

C. Developments in 1995

6. In his report dated 22 March 1995 (S/1995/222 and Corr.1 and 2), the Secretary-General informed the Security Council that the Governments of Croatia and the former Yugoslav Republic of Macedonia had expressed the wish that the United Nations forces in their countries be separate from UNPROFOR. The Government of Bosnia and Herzegovina had also expressed a wish for possible changes in the existing arrangements in that Republic.

7. In order to respond to their wishes, but without compromising the cost-effectiveness and efficiency of an integrated United Nations peacekeeping effort in the theatre, the Secretary-General proposed that UNPROFOR be replaced by three separate but interlinked peacekeeping operations. Each operation was to be headed by a civilian chief of mission and was to have its own military commander. In view of the interlinked nature of the problems in the area and in order to avoid the expense of duplicating existing structures, overall command and control of the three operations was to be exercised by the Secretary-General's Special Representative and a Theatre Force Commander. The United Nations Peace Forces headquarters would be in Zagreb and the administrative, logistical and public information responsibilities of the three operations would be coordinated there.

8. On 31 March 1995, by its resolutions 981 (1995), 982 (1995) and 983 (1995), respectively, the Council therefore decided to establish the United Nations Confidence Restoration Operation in Croatia, known as UNCRO, to extend the mandate of UNPROFOR in Bosnia and Herzegovina and that UNPROFOR in the former Yugoslav Republic of Macedonia would be known as the United Nations Preventive Deployment Force (UNPREDEP).

9. In paragraph 6 of its resolution 49/248 of 20 July 1995, the General Assembly decided to utilize the special account established by its resolution 46/233 of 19 March 1992 for the recording of income and expenditures relating to UNPROFOR, UNCRO, UNPREDEP and the United Nations Peace Forces headquarters.

10. Owing to political developments during the latter part of 1995, which resulted in the signing of the Basic Agreement on the Region of Eastern Slavonia, Baranja and Western Sirmium (A/50/757-S/1995/951, annex) on 12 November 1995 and the General Framework Agreement for Peace in Bosnia and Herzegovina and the annexes thereto (collectively "the Peace Agreement") on 21 November 1995 (A/50/790-S/1995/999, annex), the Security Council decided to terminate the mandates of UNCRO and UNPROFOR and to establish two new operations, namely the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the United Nations Mission in Bosnia and Herzegovina (UNMIBH).

11. By its resolution 1025 (1995) of 30 November 1995, the Security Council decided that the mandate of UNCRO would terminate after an interim period ending on 15 January 1996 or when the Council had decided on the deployment, including the necessary period for the transfer of authority, of the transitional peacekeeping force, whichever was sooner. UNTAES was subsequently established by the Security Council by its resolution 1037 (1996) of 15 January 1996.

12. Following the signature of the Peace Agreement, the Security Council, by its resolution 1031 (1995) of 15 December 1995, authorized Member States acting in cooperation with the North Atlantic Treaty Organization (NATO) to establish a multinational Implementation Force (IFOR) under unified command and control in order to fulfil the role specified in annex I-A and annex 2 to the Peace Agreement. By the same resolution, the Council decided to terminate the mandate of UNPROFOR on the date on which the Secretary-General reported to the Council that the transfer of authority from UNPROFOR to IFOR had taken place. The transfer of authority took place on 20 December 1995 and UNMIBH was established on 21 December 1995 by Council resolution 1035 (1995).

13. The mandate of UNPREDEP was extended until 30 May 1996 by Council resolution 1027 (1995) of 30 November 1995 and the Secretary-General subsequently recommended in his report of 29 January 1996 (S/1996/65) that UNPREDEP had become an independent mission. The concurrence of the Security Council was contained in a letter dated 1 February 1996 (S/1996/76) from the President of the Council to the Secretary-General.

D. Liquidation

14. During the pre-liquidation period from 1 January to 30 June 1996, the former United Nations Peace Forces headquarters provided all aspects of administrative and

logistic support for the new missions in the former Yugoslavia, assisted in the transition to IFOR and in building up independent administrative support structures for the new missions and performed administrative liquidation tasks for UNCRO, UNPROFOR and the United Nations Peace Forces.

15. The liquidation activities, including disposal of assets, were carried out during the 12-month period from 1 July 1996 to 30 June 1997. The report on the final disposition of United Nations Peace Forces assets was contained in document A/52/792 dated 11 February 1998. During this period the former United Nations Peace Forces headquarters also provided central support services to UNTAES, UNMIBH and UNPREDEP in the areas of communications and movement control.

E. Post-liquidation

16. A number of residual tasks remained outstanding as at 30 June 1997, including auctioning United Nations Peace Forces surplus assets, the conclusion of negotiations with international service agencies on claims for damages and other disputes, scrapping 70 armoured personnel carriers, the environmental clean-up of Camp Pleso in Zagreb, closing the inventory records, closing the accounts, processing third-party liability claims and addressing issues raised by the Board of Auditors. In order to complete those tasks, the Controller sought the concurrence of the Advisory Committee on Administrative and Budgetary Questions to utilize an amount of \$1,199,200 gross (\$1,070,300 net) from the resources for the period ending 30 June 1997. The concurrence of the Advisory Committee was contained in a letter dated 29 July 1997. Actual expenditures amounted to \$1,193,000 gross (\$963,300 net).

III. Amounts owed to the United Nations by the host Governments

17. A status-of-forces agreement was signed between the United Nations and the Government of Bosnia and Herzegovina on 15 May 1993. By an exchange of letters dated 13 March 1995 between the Special Representative of the Secretary-General and the Minister for Foreign Relations of the former Yugoslav Republic of Macedonia, an agreement was reached on the status of UNPROFOR and its personnel in that host country. An agreement was signed between the United Nations and the Government of Croatia on 15 May 1995.

18. Expenditures were incurred by the United Nations Peace Forces for a number of items, including rent, airport services, tolls and fuel taxes, that should have been provided without cost under the terms of the agreements. In this connection, the former Special Representative of the Secretary-General wrote to the Presidents of Croatia, Bosnia and Herzegovina and the former Yugoslav Republic of Macedonia on 29 December 1995 to request that the respective Governments meet their obligations under the agreements and reimburse the United Nations for rents and other amounts paid under the leases. However, no reimbursement was received.

19. In paragraph 9 of its resolution 51/12 of 4 November 1996, the General Assembly expressed its concern about the payment by the combined forces of charges for items that should have been provided without cost under the status-of-

forces agreements. In paragraph 10 of the same resolution, the Assembly urged the Secretary-General to convey its concerns to the Governments concerned as well as its request that the Governments reimburse the combined Forces for those expenditures. The Assembly requested the Secretary-General to withhold settlement of claims submitted by the Governments concerned until the matter of the expenditures was resolved.

20. Notes verbale were sent to the Permanent Missions of Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia and the Federal Republic of Yugoslavia to the United Nations on 25 March 1999 requesting reimbursement of these amounts. To date, no reimbursement of the expenditures shown in table 1 below has been received by the United Nations nor has any payment of claims from the Governments been made.

Table 1
Amounts owed to the United Nations

(United States dollars)

<i>Government</i>	<i>Item of expenditure</i>	<i>Amount</i>
Republic of Croatia	Rent	49 138 307
	Fuel tax	37 359 474
	Post and telecommunications tax	679 002
	Road tolls	191 082
	Airport charges	5 294 612
Subtotal		92 662 477
Federal Republic of Yugoslavia	Road tolls	224 820
	Airport charges	227 690
Subtotal		452 510
Bosnia and Herzegovina	Rent	34 042 301
	Road tolls	112 120
Subtotal		34 154 421
The former Yugoslav Republic of Macedonia	Rent	110 359
	Airport charges	187
Subtotal		110 546
Total		127 379 954

IV. Voluntary contributions and trust funds

A. Voluntary contributions

21. The last update of voluntary contributions to the combined forces was contained in annex XV to document A/50/696/Add.4 and Corr.1 dated 13 March 1996. The contributions in kind included the loan of 93 vehicles and equipment as well as the donation of one container truck, one refueller, two tractors, three cargo trolleys, one portable weighbridge and roller tracks by the United Kingdom of Great Britain and Northern Ireland valued at \$4,536,820. Those items had been reported as

voluntary contributions by UNPROFOR in April 1994. During negotiations on settlement of claims for contingent-owned equipment, however, it was determined that those items had been made available on a reimbursable basis, not as voluntary contributions in kind. Those items are therefore not included in table 2 below.

Table 2
Voluntary contributions to the combined forces

(United States dollars)

<i>Government/organization</i>	<i>Contribution</i>	<i>Value</i>
Cyprus	Cash	6 000
Finland	10 housing units	57 000
Germany	Loan of 395 vehicles and trailers	790 000
	Loan of 246 generators	^a
	Loan of 171 armoured personnel carriers	3 420 000
	Loan of 390 vehicles and trailers, 48 armoured personnel carriers, 4 combat ambulances, 26 generators, 2 heavy-duty trailers, 1 automatic swing crane and 25 ambulance cars	^a
	Loan of radio equipment, 2 forklifts, 1 road sweeper and 1 van	140 526
	4,300 sets of winter clothing	^a
	50 heavy cargo trucks	5 000 000
	100 armoured personnel carriers	18 300 000
Italy	Cash	2 380 952
	Loan of 15 armoured personnel carriers	5 593 220
Liechtenstein	Cash	7 081
Netherlands	3 pick-up trucks, 2 4x4 vehicles, 1 refueller, 5 trucks and 1 ambulance	95 973
North Atlantic Treaty Organization	Maps	^a
Russian Federation	Special rescue equipment, diesel generators and 2 trucks	80 000
Sweden	2 sedans	42 388
Switzerland	Cash	4 781 589
	Air ambulance service from Zagreb to Lisbon	^a
	Air ambulance service from Zagreb to Dublin	^a
	40 trucks	273 000
	2 armoured vehicles	433 566
	Services of Inspector General and one assistant	13 569
United Kingdom of Great Britain and Northern Ireland	De-icing and aircraft towing equipment	90 000
United States of America	3,400 operational maps	1 700 000

^a Not quantified.

22. Initially, the costs related to the mandate for the protection of humanitarian assistance convoys authorized by the Security Council in resolution 776 (1992) of 14 September 1992 were borne by the troop-contributing Governments shown in table 3 below, with the exception of the common costs of the Bosnia and Herzegovina command, which were met from a trust fund. All costs associated with this enlargement of the Force's mandate were incorporated into the UNPROFOR assessed budget as of 1 April 1993. The value of the military personnel, equipment and logistic support provided as voluntary contributions in kind for the period from 14 September 1992 to 31 March 1993 has been notionally estimated by the Secretariat at \$110.2 million on the basis of the voluntary contributions listed in table 3 below.

Table 3
Voluntary contributions for the protection of humanitarian assistance convoys

<i>Government</i>	<i>Contribution</i>
Belgium	Transport company
Canada	Infantry battalion
Denmark	Support unit
France	Infantry battalion
Netherlands	Transport battalion, signals unit
Norway	Engineer platoon
Portugal	Medical team
Spain	Infantry battalion
United Kingdom of Great Britain and Northern Ireland	Infantry battalion
United States of America	Field hospital

23. In its resolution 998 (1995) of 16 June 1995, the Security Council authorized an increase in personnel to provide the United Nations Peace Forces/UNPROFOR with a rapid reaction capacity, for which the modalities of financing were to be determined later. In his report on the financing of this mandate (A/49/540/Add.4 dated 27 June 1995) the Secretary-General proposed that owing to vacancies, a part of the rapid reaction capacity be accommodated within the overall authorized strength of 44,870 prior to the adoption of Council resolution 998 (1995). The cost of the troops was to be borne by the assessed budget. The cost of the remaining troops was to be funded through voluntary contributions to a sub-account of the UNPROFOR special account established for the purpose.

24. Cash contributions to the sub-account amounted to \$3,921,721, the details of which are shown in table 4 below. Additionally, voluntary contributions in kind amounting to \$50 million had been pledged by the United States, of which an amount of \$21,260,000 was reflected as budgeted voluntary contributions in kind in document A/49/540/Add.4.

Table 4
Voluntary contributions for the strengthening of UNPROFOR with a rapid reaction capacity^a

(United States dollars)

<i>Government</i>	<i>Contribution</i>	<i>Value</i>
Denmark	Cash	970 000
Finland	Cash	837 914
Greece	Cash	100 000
Ireland	Cash	276 000
Mauritius	Cash	5 000
Monaco	Cash	14 000
Panama	Cash	22 000
Sweden	Cash	1 696 807

^a Contributions were returned to donors pursuant to paragraph 11 of General Assembly resolution 50/235 (see also para. 27 below).

25. In paragraph 8 of its resolution 50/235 of 7 June 1996, the General Assembly requested the Secretary-General to clarify the value, calculated according to standard United Nations procedures, of those budgeted contributions in kind which served to reduce the amount assessed on Member States for the rapid reaction capacity and to report thereon to the General Assembly. Detailed information regarding the goods and services provided by the Government of the United States to the rapid reaction capacity was provided to the Secretariat on 24 October 1996. This information was subsequently reviewed by the Field Administration and Logistics Division of the Department of Peacekeeping Operations of the Secretariat. This contribution has been valued at \$22,917,009 by the donor and at \$12,532,826 according to standard United Nations procedures. The details are shown in table 5 below.

Table 5
Contributions by the United States of America to the rapid reaction capacity

(United States dollars)

<i>Contribution</i>	<i>Donor value</i>	<i>United Nations value</i>
Equipment	7 653 708	396 525
Supplies and services	3 463 301	3 463 301
Spare parts, maintenance and training	4 400 000	2 600 000
Airlift	2 900 000	2 900 000
Sealift	4 000 000	2 673 000
Ground transportation	500 000	500 000
Total	22 917 009	12 532 826

26. Since the average monthly strength of the combined forces and of the rapid reaction capacity during the six-month period from 1 July to 31 December 1995 did not exceed 44,870, the General Assembly decided in paragraph 9 of its resolution 50/235 that all expenses for the rapid reaction capacity, including the agreed value of such budgeted contributions in kind, should be included within the assessed budget for the combined forces. The Assembly also decided in paragraph 10 of the resolution to review the resource requirements of UNPROFOR in the light of the information requested. Provision has therefore been included in the amount of \$12,532,826 under column 4 of annex II.A to provide for reimbursement pursuant to resolution 50/235.

27. In paragraph 11 of the same resolution, the General Assembly requested the Secretary-General to return to the Member States concerned the unspent cash contributions made to the sub-account for the rapid reaction capacity and to close the sub-account. As previously stated, in paragraph 26 of document A/50/696/Add.7 dated 5 August 1996, the voluntary cash contributions were returned to the Member States concerned in July 1996 and the sub-account was closed.

B. Trust funds

28. Receipts and expenditures for trust funds is shown in table 6 below:

Table 6

Trust funds

(United States dollars)

	<i>Receipts</i>	<i>Expenditures</i>
Trust fund for the common costs of the Bosnia and Herzegovina Command		
14 September 1992 to 31 March 1993	5 387 543	3 141 963
Trust fund for assistance to the Office of the Special Representative of the Secretary-General for the former Yugoslavia		
1 September 1994 to 31 December 1995	1 654 437	337 098
Trust fund for the restoration of essential public services in Sarajevo^a		
22 March 1994 to 30 April 1996	16 723 096	7 012 575
Trust fund for demining activities		
5 January to 31 December 1995	3 376 000	120 552
Total	27 141 076	10 612 188

^a Responsibility for the trust fund was transferred to UNMIBH following the departure of the Special Coordinator for Sarajevo on 30 April 1996.

V. Status of reimbursement of troop-contributing Governments

A. Troop contributors

29. Troops were provided to the United Nations Peace Forces by the Governments of Argentina, Bangladesh, Belgium, Canada, the Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Indonesia, Jordan, Kenya, Lithuania, Malaysia, Nepal, the Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, the Russian Federation, Slovakia, Spain, Sweden, Turkey, Ukraine, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

B. Status of reimbursement

30. Full reimbursement of troop costs has been made.

VI. Contingent-owned equipment

A. Method of reimbursement

31. In paragraph 4 of section 1 of its resolution 51/218 E of 17 June 1997, the General Assembly reiterated that, for missions activated prior to 1 July 1996, countries had the option to accept reimbursement under either the new or the old reimbursement methodology. Of the 30 Governments that provided contingent-owned equipment to United Nations Peace Forces, 21 have opted for reimbursement under the old system and 9 under the new arrangements.

B. Requirements

32. Total requirements for reimbursement of contingent-owned equipment amount to \$819,372,877 as detailed in table 7 below. Expenditures to date total \$515,127,600, consisting of an amount of \$477,301,281 charged to the contingent-owned equipment budget line and an amount of \$37,826,319 charged to various line items for goods and services provided under letter of assist arrangements. The latter payments apply to reimbursement under the new methodology, whereby payments for spare parts and other goods and services have been subsumed into the wet lease and self-sustainment rates. Payments that had previously been made for these items before it was decided to opt for reimbursement under the new arrangements have been taken into account where applicable in determining balances owed to troop-contributing Governments.

Table 7
Total requirements for contingent-owned equipment

(United States dollars)

	<i>Amount</i>
Old methodology — equipment and consumables	378 800 443
New methodology — wet lease	301 858 101
New methodology — dry lease	1 116 138
New methodology — self-sustainment	75 691 312
Losses	44 063 691
Contribution to the rapid reaction capacity	6 459 826
Other ^a	11 383 366
Total	819 372 877

^a Includes ammunition used for operational purposes, painting of vehicles and repair of equipment.

33. As stated in paragraph 27 of document A/50/696/Add.7, funds for consumables relating to prior periods had been obligated in the United Nations Peace Forces accounts for the financial period from 1 July to 31 December 1995. These amounts provided for reimbursement for consumables provided by troop-contributing Governments in order for their troops to be self-sufficient for the first 30 to 60 days of operation in accordance with the guidelines contained in the aide memoire provided to troop-contributing Governments. Reimbursement for contingent-owned equipment under the old methodology covers both the equipment and the consumables reported in the in and out-surveys. The current balances of these obligations are shown in table 8 below, together with the balance of obligations against contingent-owned equipment. All of these resources will be utilized to settle claims for contingent-owned equipment.

Table 8
Resources provided for reimbursement of contingent-owned equipment
 (United States dollars)

<i>Item</i>	<i>Disbursements</i>	<i>Unliquidated obligations</i>	<i>Total</i>
Contingent-owned equipment	477 301 281	107 878 807	585 180 088
Petrol, oil and lubricants	-	1 588 555	1 588 555
Medical supplies	-	2 622 072	2 622 072
Field defence stores	-	12 798 940	12 798 940
Communication spare parts	-	8 869 000	8 869 000
Motor vehicle spare parts	-	11 998 769	11 998 769
Equipment spare parts	-	4 546 600	4 546 600
Rations	-	2 215 246	2 215 246
Quartermaster	-	13 190 191	13 190 191
Letters of assist	37 826 319	-	37 826 319
Total	515 127 600	165 708 180	680 835 780

34. As can be seen from table 9 below, there is a shortfall of \$138,537,097 for reimbursement of contingent-owned equipment. Provision has therefore been included in this amount for this item in column 4 of annex II.A to the present report.

Table 9
Shortfall in resources for reimbursement of contingent-owned equipment
 (United States dollars)

	<i>Amount</i>
Total requirements	819 372 877
Total resources	680 835 780
Shortfall	138 537 097

VII. Financial performance report

35. A total of \$5,082,586,459 gross (\$5,044,754,959 net) was appropriated by the General Assembly for the United Nations Peace Forces. Expenditures amounting to \$4,835,728,900 gross (\$4,799,806,900 net) were reported in the performance reports dated 17 June 1993 (A/47/741/Add.1 and Corr.1), 3 December 1993 (A/48/690), 16 August 1994 (A/48/690/Add.4), 3 May 1995 (A/49/540/Add.2), 27 October 1995 (A/50/696), 8 November 1995 (A/50/696/Add.2), 5 August 1996 (A/50/696/Add.7), 2 December 1996 (A/51/701) and 4 March 1998 (A/52/815), resulting in an unencumbered balance of \$246,857,559 gross (\$244,948,059 net). The breakdown of those expenditures by category of expenditure is reflected in column 1 of annex II.A to the present report.

36. Additional unencumbered balances resulting from the cancellation of obligations amounting to \$82,372,122 gross (\$80,863,879 net) were subsequently reported for the period from 12 January 1992 to 31 March 1994 in the Secretary-General's financing reports dated 25 February 1994 (A/48/690/Corr.3), 31 May 1994 (A/48/690/Add.3), 19 October 1994 (A/49/540) and 15 December 1995 (A/50/696/Add.3). Total expenditures at 31 December 1999 amounted to \$4,452,507,000 gross (\$4,417,943,900 net). The variance of \$383,221,900 gross (\$381,863,000 net) between expenditures shown in the performance reports and actual expenditures at 31 December 1999 shown in column 3 of annex II.A is inclusive of the aforementioned additional balances.

37. Decisions were taken by the General Assembly on the treatment of all reported unencumbered balances with the exception of the unencumbered balance for the period from 1 July 1996 to 30 June 1997, which amounted to \$3,467,200 gross (\$4,094,200 net). As stated in paragraph 16 above, the Advisory Committee had concurred in the Controller's request to utilize an amount of \$1,199,200 gross (\$1,070,300 net) from this balance to complete outstanding liquidation tasks. In its decision 52/485 of 26 June 1998, the General Assembly decided to defer consideration of the treatment of the unencumbered balance arising in respect of this period pending the submission of the final performance report for the mission.

38. The current balance of appropriations amounts to \$304,179,027 gross (\$304,955,370 net). This increase is primarily due to savings resulting from the cancellation of prior period obligations. Some of the obligations that were cancelled had been issued to provide for reimbursement to Governments for goods and services, including spare parts, under letter of assist arrangements. Since a number of Governments have opted for reimbursement for contingent-owned equipment under the new arrangements, that is wet lease and self-sustainment, resources are now required under the contingent-owned equipment budget line and not under the line items against which funds had been obligated. A summary of the total resources approved by the General Assembly for the United Nations Peace Forces and the related operating costs from inception of the mission to 31 December 1999 as well as amounts that have been credited to Member States are shown in table 10 below.

39. In addition to the requirements for contingent-owned equipment referred to in paragraph 32 above, funds are also needed to settle outstanding government claims for which no obligations exist as well as for death and disability claims since all funds obligated for this purpose have been exhausted. Amounts owed to Governments in respect of all claims total \$179,899,700. The detailed breakdown of these amounts is shown in column 4 of annex II.A and supplementary information thereon is provided in annex III. All of these requirements can be met from within the unencumbered balance of appropriations. The concurrence of the General Assembly is therefore sought to retain the amount of \$179,899,700 from the total balance of appropriations of \$304,179,027 gross (\$304,955,370 net).

Table 10
Summary of resources

(United States dollars)

	<i>Gross</i>	<i>Net</i>
1. Appropriations	5 082 586 459	5 044 754 959
2. Expenditures ^a	4 452 507 000	4 417 943 900
Total, 1 less 2	630 079 459	626 811 059
3. Credits applied to Member States		
United Nations Peace Forces	262 589 246	264 274 828
Tribunal	63 311 186	57 580 861
Subtotal	325 900 432	321 855 689
4. Balance of appropriations	304 179 027	304 955 370

^a Breakdown by category of expenditure is shown in column 2 of annex II.A.

40. While there is no need to appropriate additional resources for the United Nations Peace Forces, payment of these outstanding claims cannot be effected owing to the shortage of cash in the United Nations Peace Forces special account. The current cash position in relation to amounts owed is shown in table 11 below.

Table 11
Financial position at 31 December 1999

(United States dollars)

1. Cash balance	55 000 000
2. Cash requirements	
Unliquidated obligations	214 284 000
Amounts in accounts payable	14 104 318
Outstanding claims	179 899 700
Subtotal	408 288 018
3. Operating deficit	(353 288 018)

41. The cash shortage referred to in paragraph 40 above is a result of the high level of unpaid assessed contributions. The status of assessed contributions to the United Nations Peace Forces as at 31 December 1999 is detailed in table 12 below. The Secretary-General appeals to those Member States that have not paid in full their assessed contributions to the United Nations Peace Forces to do so to permit full reimbursement to be made to troop contributors.

Table 12
Status of assessed contributions at 31 December 1999

(United States dollars)

1. Appropriations (gross)	5 082 586 459
2. Applied credits:	
Income from staff assessment	(26 389 659)
Unencumbered balance	(196 178 748)
Subtotal	(222 568 407)
3. Net amount assessed	4 860 018 052
4. Payment received	4 236 093 707
5. Unpaid assessed contributions	623 924 345

42. All cash resources that were recorded in the United Nations Peace Forces special account, including interest income, miscellaneous income and voluntary contributions in cash, have been utilized in order to meet the operating costs of the mission. A summary of other income is provided in table 13 below for information purposes. In view of the chronic cash shortage of the Organization, the concurrence of the General Assembly is sought to suspend the provisions of financial regulations 4.3, 4.4 and 5.2 (d) in respect of the remaining surplus of \$124,279,327 gross (\$125,055,670 net).

Table 13
Other income

(United States dollars)

Voluntary contributions in cash ^a	7 175 622
Interest income	44 914 000
Miscellaneous income ^b	87 549 000

^a Excludes voluntary contributions in cash to the rapid reaction capacity that were returned to the Member States concerned.

^b Includes an amount of \$50,819,060 which represents the sale of United Nations Peace Forces assets to IFOR contingents on an offset basis.

Annex I

Authorized strength

<i>Mandate</i>	<i>Security Council resolution</i>	<i>Date of resolution</i>	<i>Strength</i>		
			<i>Military observers</i>	<i>Troops</i>	<i>Civilian police</i>
Establishment of UNPROFOR	743 (1992)	21 February 1992	100	13 140	530
Reopening of Sarajevo airport	758 (1992)	8 June 1992	60	1 000	40
Monitoring of pink zones	762 (1992)	30 June 1992	60	-	120
Reopening of Sarajevo airport	764 (1992)	13 July 1992	-	600	-
Border control in United Nations Protected Areas	769 (1992)	7 August 1992	-	350	-
Protection of humanitarian assistance convoys in Bosnia and Herzegovina	776 (1992)	14 September 1992	80	8 360	-
Demilitarization of the Prevlaka peninsula ^a	779 (1992)	6 October 1992	14	-	-
Monitoring of the ban on military flights in the airspace of Bosnia and Herzegovina	786 (1992)	10 November 1992	79	-	-
Deployment in the former Yugoslav Republic of Macedonia ^b	795 (1992)	11 December 1992	35	700	26
Monitoring of the humanitarian situation in safe areas in Bosnia and Herzegovina	824 (1993)	6 May 1993	50	-	-
Deployment of additional troops in the former Yugoslav Republic of Macedonia ^b	842 (1993)	18 June 1993	-	300	-
Deployment in the safe areas in Bosnia and Herzegovina	844 (1993)	18 June 1993	-	7 600	-
Strengthening of UNPROFOR in Croatia and Sarajevo	847 (1993)	30 June 1993	100	2 650	-
Ceasefire in Sarajevo and surrounding areas	908 (1994)	31 March 1994	-	3 500	-
Reopening of Tuzla airport	908 (1994)	31 March 1994	20	120	20
Ceasefire in Sarajevo and surrounding areas	914 (1994)	27 April 1994	150	4 750	275
Ceasefire in Croatia	914 (1994)	27 April 1994	-	1 800	-
Strengthening of UNPROFOR with a rapid reaction capacity	998 (1995)	16 June 1995	-	12 500	-
Total			748	57 370	1 011

^a Became an independent mission in 1996 known as the United Nations Mission of Observers in Prevlaka (UNMOP).

^b Designated as the United Nations Preventive Deployment Force by Security Council resolution 983 (1995) of 31 March 1995. Became an independent mission in 1996.

Annex II

Annex III

Supplementary information on additional requirements

Military personnel

Military contingents

1. An amount of \$4,303,200 is required to provide for reimbursement of nine Government claims for the emplacement, rotation and repatriation of troops. No funds were reserved in the accounts for this purpose. Additionally, claims for repatriation travel are expected to be submitted by six Governments at an estimated cost of \$1,165,000.

Other requirements pertaining to military personnel

2. Additional requirements for reimbursement of contingent-owned equipment amount to \$138,537,100 as detailed in section VI of the main report. There is also a requirement for \$9,781,500 under death and disability compensation to settle 66 claims from 12 Governments.

Operational requirements

Transport operations

3. There are six claims from three Governments which total \$8,457,500 for vehicle spare parts for which funds are required.

Air operations

4. A total amount of \$4,204,100 is needed to reimburse three Government claims for provision of helicopter services (\$1,896,000), helicopter positioning (\$2,102,700) and other air operations costs (\$205,400).

Other equipment

5. Funds are needed in respect of one Government claim for spare parts for \$405,000.

Supplies and services

6. Requirements of \$14,900 under this heading relate to one Government claim for medical evacuation (\$7,800) and three claims for medical supplies (\$7,100).

Air and surface freight

7. A total of \$13,031,400 is required for reimbursement of six Government claims for transport of contingent-owned equipment (\$3,143,400), payment of freight costs (\$6,073,000) in respect of the voluntary contribution in kind provided to the rapid reaction capacity, which the General Assembly decided in its resolution 50/235 should be reimbursed, and \$3,815,000 to cover claims expected to be submitted by eight Governments.