

contingent during September 1957. Since the status of the various contingents and the conditions of their assignment differ very widely (e.g., in some cases, they are regular units of the country's armed forces, while in others, they are comprised of volunteers specially recruited for UNEF service) and since their rates of pay and other benefits are in accordance with national laws and regulations, which in themselves reflect wide variations, any subsequent changes in the composition of the Force could have a significant bearing on the future level of reimbursement costs. For the purposes of the first financial period, however (i.e., from November 1956 - 31 December 1957), the financial implications of the two reimbursement principles formulated above are tentatively and provisionally estimated as follows:

	<i>United States dollars</i>
For the first six months:	
Reimbursement of special allowances ..	2,000,000
For the remainder of the period:	
Extra and extraordinary costs relating to pay and allowances .....	4,500,000
TOTAL	6,500,000

91. It should also be pointed out that, because of the prolongation of the period of service, most of the participating Governments are faced with unforeseen costs in connexion with the equipment, material and supplies initially furnished to their contingents. The General Assembly has, therefore, also to consider whether the United Nations should assume financial responsibility for the replacement of equipment that is destroyed or worn-out and for such deterioration beyond that provided for under normal depreciation schedules as can be assessed at the conclusion of the total period of service of a Government's forces. In view of the fact that the main burden of furnishing much of the heavy and expensive equipment needed for the operations of UNEF, as a whole, has fallen on a limited number of Member States, the Secretary-General believes that, in the interests of an equitable sharing of costs, some appropriate recognition by the United Nations of this obligation is called for. The task of estimating possible claims that may eventually be made in this regard presents obvious difficulties. Some indication of the maximum liability, which the United Nations would be assuming, will be possible when detailed schedules recently supplied by the Governments concerned have been analysed and costs estimated.

6. *Compensation in respect of the injury or death of members of the Force*

92. The question of compensation in respect of the injury or death of members of the Force was first raised in the Secretary-General's report to the General Assembly, dated 21 November 1956 (A/3383 and Rev.1), in the following terms (para. 13):

"With regard to troops of the United Nations Emergency Force, it has been assumed that in case of death, injury or illness attributable to service with the Force, such personnel or their dependants would qualify for benefits under their own national service pension or compensation regulations, and that they would not receive such benefits directly from the United Nations."

93. The matter was further considered by the Advisory Committee on Administrative and Budgetary Questions which expressed the view, in its thirty-fifth report to the eleventh session of the General Assembly (A/3456), that the Secretary-General's assumption, as stated above, appeared to be a valid one. It added in paragraph 5:

"The question therefore arises whether, and — if so — to what extent, the United Nations should accept liability in respect of claims from Governments

for the reimbursement of pensions and compensation paid by them. Although the acceptance of such a liability appears to be implicit in the Secretary-General's report (A/3383 and Rev.1, para. 13), on which previous discussion of this matter has been based, there would be advantage in the Fifth Committee's taking a firm decision on the point."

94. At the 541st meeting of the Fifth Committee, some members recommended further consultations between the Secretary-General and the Governments providing forces, with a view to determining the extent to which claims might be lodged, within the broader context of the overall operation.

95. Following upon such consultations, the Secretary-General advised Governments participating in the Force that the possibility would be explored of arranging an adequate system for compensation by the United Nations in the case of death, injury or illness as a result of service with UNEF; and that, until such a system was established and pending its confirmation by the General Assembly, the United Nations would reimburse indemnities paid by a participating Government based on national regulations.

96. According to the records available to the United Nations, a total of thirteen members of the Force have died or been killed to date: others have sustained injuries of lesser or greater degree. No claims for compensation payment have, however, yet been formally transmitted to the United Nations by the Governments concerned.

97. It is the considered view of the Secretary-General, upon further reflection, that the initially stated principle should be adhered to, namely, that, in the event of death or injury attributable to service with the Force, such personnel or their dependants would qualify for pension benefits or compensation under their own national service schemes; payments to beneficiaries would be made by the Governments concerned, which would in turn lodge claims with the United Nations. In the view of the Secretary-General, this plan is likely to prove the most feasible administratively, and the most equitable for all parties.

98. The Secretary-General would also recommend in regard to such compensation that:

(i) Claims of participating Governments should normally be restricted to cases of death or serious disability involving a material cost to the Government for medical costs and/or pension benefits;

(ii) No formal rules should be established at this time; but, until some experience is gained of the problems likely to arise, such claims should be dealt with as presented, based on the circumstances of each case;

(iii) So far as possible, administration of monthly or other periodic payments should rest with the participating Government; consideration would be given, as and when appropriate, to the working out between the United Nations and the Government concerned of an arrangement whereby the United Nations liability would be commuted to a lump sum payment.

7. *Financial requirements*

99. At 30 September, it is estimated that the expenses of UNEF for the fourteen-month period ending 31 December 1957 will total between \$24 million and \$30.5 million, depending on such arrangements as may be agreed or confirmed by the General Assembly for reimbursement of special allowances or other costs to Governments providing contingents to UNEF. At this time, however, only \$6,330,000 has been paid in cash into the UNEF Special Account, \$5,744,000 of this total having been paid in connexion with the initial assessment of

\$10 million, and the balance of \$586,000 paid as voluntary contributions. A further amount of \$3,213,000 has been pledged in voluntary contributions, but has not yet been paid in cash and, of this sum, \$2.7 million is dependent on the receipt of matching contributions from other Member States.

100. The wide disparity between the financial needs for the current period and the cash resources thus far made available or pledged to the Special Account by Member States makes it imperative that the General Assembly, in addition to determining the nature and extent of costs to be reimbursed to Governments providing contingents to UNEF, give urgent consideration to the three following problems.

101. The first of these relates to the authorization to be granted by the General Assembly to the Secretary-General to incur expenses for the maintenance of the Force; the second to the basis for financing UNEF costs, whether by apportioning or assessing the expenses among the Member States or by other means; and the third to assuring adequate cash resources to the Secretary-General to cover expenses.

(a) *Obligational authority*

102. Regarding the Secretary-General's authorization to incur expenses for the United Nations Emergency Force, it will be recalled that the General Assembly, in resolution 1090 (XI), authorized an amount of \$16.5 million for that purpose in respect of the period to 31 December 1957. Although the amount authorized corresponded with the amount requested by the Secretary-General, subject to the reservations noted earlier, his request was predicated on covering expenses for a twelve-month period rather than a fourteen-month period as provided in the General Assembly's resolution.

103. However, developments in UNEF's operation and composition subsequent to the General Assembly's authorizing action (such as the necessity which was unforeseen at the time of the Secretary-General's request to provide for the transportation costs involved in the single or double rotation of all the UNEF contingents) have necessitated revised and increased estimates of costs likely to be incurred to 31 December 1957.

104. On the basis of the latest estimates of financial requirements which are given in annex A to this report, and in the light of the decisions that the General Assembly will take on the question of costs to be reimbursed to Governments providing contingents, the Secretary-General requests that the General Assembly authorize him to incur expenses for UNEF:

(i) For the period ending 31 December 1957, up to a total of \$23,920,500, plus such additional amount as may be authorized or required to implement such arrangements as may be agreed or confirmed by the General Assembly with reference to reimbursements of costs to Governments providing contingents;

(ii) For any 1958 period, not more than a total of \$20 million, plus such additional amount as may be authorized or required with reference to reimbursement of costs to Governments providing contingents, it being understood that, so long as UNEF continues on its present basis of operations, the expenses of maintaining the Force would not normally exceed \$2 million for any single month.

(b) *Basis for financing UNEF costs*

105. Perhaps the most important single issue calling for urgent consideration and decision arises as a result of paragraph 4 of resolution 1090 (XI), under the terms of which the General Assembly decided that, at its twelfth session, it would consider the basis for financing

any costs of the Force in excess of \$10 million not covered by voluntary contributions. It will be observed from the figures cited above that, as of the end of September, the shortfall in contributions received and assured (in excess of the \$10 million assessed) as against estimated costs through 31 December 1957, is of the order of \$12.8 million, without taking account of the estimated cost of reimbursing "special allowances" during the first six months (\$2 million) or, should the General Assembly so decide, of reimbursing all "extra and extraordinary" pay and allowance expenses during the balance of 1957 (estimated at \$4.5 million).

106. The Secretary-General holds to the view which he has previously expressed to the General Assembly that decisions which are taken by the Assembly itself and which have important financial consequences carry with them an obligation on the part of all Member Governments to make available the requisite resources or other means for their implementation. In the light, however, of the extremely limited response to date by Member States to the appeal for voluntary contributions, and of the complexity and scope of the operations in which UNEF is involved, he is constrained to question whether it is either feasible or prudent to place any undue reliance for the future on this method of obtaining the necessary budgetary provision. The Secretary-General is bound to stress the grave risks inherent in the present inadequate and insecure basis of UNEF financing. Unless, indeed, the possibility of UNEF successfully completing its mission is to be seriously jeopardized, it is essential that this vital United Nations undertaking be assured of the same degree and certainty of financial support as afforded to other United Nations activities which have as their purpose the maintenance of security and peace.

(c) *Cash requirements*

107. Regarding the need for assuring adequate cash resources to cover the expenses of UNEF, the Secretary-General considers that the existing authorizations may not be sufficient to meet the requirements of the situation, unless they are broadly construed to permit loans from Member States and unless there is a reasonable expectation that these will be forthcoming when needed. He considers it essential, nevertheless, to retain the authority granted to him in resolution 1090 (XI), (a) to advance from the Working Capital Fund such sums as the Special Account may require to meet expenses chargeable to it; and (b) to arrange, where necessary, for loans to the Special Account from other appropriate sources.

108. The authority to advance sums from the Working Capital Fund has been constantly resorted to during the current year, and the amount of such advances, outstanding at 30 September 1957, totalled \$3,775,000. It seems likely, however, on the basis of past experience, that, unless such advances to the UNEF Special Account are substantially reduced from their present level of \$3,775,000 before the early months of next year, there will not be a sufficient balance of funds in the Working Capital Fund or in the Central Fund to cover the costs of the normal activities of the Organization.

109. While the necessity to arrange for loans to the Special Account from other funds under the control of the Secretary-General has been narrowly avoided up to the present time, it would appear that such loans could, in any case, only provide temporary relief for limited amounts and should not be relied on as a means of assuring the financial solvency of UNEF's operations.

110. In view of the necessity to cover the shortfall between the estimated financial requirements and the cash resources of UNEF indicated above, the Secretary-General believes it will be necessary to appeal for