



UNITED NATIONS

SECURITY COUNCIL

DEC 4 1969



Distr.
GENERAL

S/9521
3 December 1969

ORIGINAL: ENGLISH

USA COLLECT

REPORT BY THE SECRETARY-GENERAL ON THE UNITED NATIONS OPERATION IN CYPRUS

(For the period 3 June to 1 December 1969)

CONTENTS

	Page
INTRODUCTION	3
I. THE UNITED NATIONS PEACE-KEEPING FORCE IN CYPRUS	4
A. Composition and deployment	4
B. Function and guiding principles	6
C. Relations with the Government and with the Turkish Cypriot leadership	7
D. Freedom of movement of the United Nations Force	8
II. ACTIVITIES TOWARDS PREVENTING A RECURRENCE OF FIGHTING AND CONTRIBUTING TO THE RESTORATION AND MAINTENANCE OF LAW AND ORDER	9
A. Military situation	9
(i) Armed forces in Cyprus other than UNFICYP	9
(a) Government armed forces	9
(b) Turkish Cypriot armed elements	10
(c) The Greek and Turkish National Contingents	10
(ii) General assessment of the situation with regard to preventing a recurrence of fighting	11
B. Specific developments and action taken by UNFICYP	12
C. Developments relating to the maintenance of law and order	13
III. ACTIVITIES TOWARDS A RETURN TO NORMAL CONDITIONS	15
IV. INTERCOMMUNAL TALKS	24
V. GOOD OFFICES OF THE SECRETARY-GENERAL	27

CONTENTS (continued)

	<u>Page</u>
VI. MEDIATION EFFORT	28
VII. FINANCIAL ASPECTS	29
VIII. OBSERVATIONS	30
APPENDIX	

REPORT ON UNFICYP BY THE SECRETARIAT SURVEY TEAM

MAP - DEPLOYMENT OF UNFICYP IN DECEMBER 1969

INTRODUCTION

1. This report on the United Nations Operation in Cyprus covers developments from 3 June 1969 to 1 December 1969 and brings up to date the record of the activities of the United Nations Peace-keeping Force in Cyprus (UNFICYP) pursuant to the mandate laid down in Security Council resolution 186 (1964) of 4 March 1964 and subsequent resolutions of the Council relating to Cyprus.
2. The situation in the last six months has remained calm with only a few incidents causing tension. The continuing general desire to maintain peaceful conditions has been clearly evident throughout and there has been a steady improvement towards a return to normal conditions of life.

I. THE UNITED NATIONS PEACE-KEEPING FORCE IN CYPRUS

A. Composition and deployment

3. At the end of the period covered by my last report, the strength of the United Nations Force in Cyprus (UNFICYP) was 3,480 military personnel and 175 civilian police (S/9233, para. 3). On 1 December 1969, the composition of the Force was as follows:

<u>Military</u>			<u>Total</u>
Austria	- HQ UNFICYP	1	
	- Field Hospital	<u>52</u>	53
Canada	- HQ UNFICYP and military police	45	
	- Battalion	<u>531</u>	576
Denmark	- HQ UNFICYP and military police	16	
	- Battalion	<u>446</u>	462
Finland	- HQ UNFICYP and military police	12	
	- Battalion	<u>465</u>	477
Ireland	- HQ UNFICYP and military police	10	
	- Battalion	<u>409</u>	419
Sweden	- HQ UNFICYP and military police	10	
	- Battalion	<u>410</u>	420
United Kingdom	- HQ UNFICYP and military police	138	
	- Battalion and Reconnaissance Squadron	730	
	- UNFICYP logistic support units	158	
	- Helicopter support	38	
	- Contingent HQ	<u>4</u>	1,068
	Total military personnel		<u>3,475</u>

Civilian police

Australia	50	
Austria	45	
Denmark	40	
Sweden	<u>40</u>	
Total civilian police		<u>175</u>
TOTAL UNFICYP		3,650

/...

4. The following changes took place during the period covered by this report:

Rotations

(a) Austria: A partial rotation of troops was carried out.

(b) Canada: The 2nd Battalion, The Black Watch (Royal Highland Regiment) of Canada replaced the 2nd Battalion, The Royal 22e Regiment.

(c) Denmark: The 11th Battalion was relieved by the 12th Battalion.

(d) Finland: A partial rotation took place. The incoming troops form part of the 12th Finnish Battalion.

(e) Ireland: A rotation was carried out in which the 12th Infantry Group was relieved by the 13th Infantry Group.

(f) Sweden: The 43rd Swedish Battalion relieved the 42nd Swedish Battalion.

(g) United Kingdom: The 1st Battalion, The Royal Worcestershire Regiment, was relieved by the 3rd Battalion, The Royal Anglian Regiment, and 7 Squadron, Royal Corps of Transport, was relieved by 18 Amphibian Squadron, Royal Corps of Transport. C Squadron, 3rd Royal Tank Regiment, was replaced by B Squadron, The Queen's Own Hussars.

5. During the period covered by this report, a small reduction of officers and men was made in the establishment of HQ UNFICYP. This is reflected in the slightly lower total strength of the Force.

6. The Force is now deployed as follows (see attached map):

HQ UNFICYP, including HQ UNCIVPOL

Combined staff

Nicosia West District

Danish Contingent

Danish Civilian Police

Nicosia East District

Finnish Contingent

Austrian Civilian Police

Famagusta Zone

Swedish Contingent

Swedish Civilian Police

/...

Limasol Zone

British Contingent

Australian Civilian Police

Lefka District

Irish Contingent

Danish Civilian Police

Kyrenia District

Canadian Contingent

Austrian Civilian Police

Redeployment

7. During the period covered by this report, it has been possible to reduce the number of fully manned military observation posts (OPs) (sometimes referred to as static posts) from seventy-two to sixty-eight. Some additional mobile and foot patrols have been set up to carry out the tasks of the withdrawn OPs.

8. The UNCIVPOL sub-stations at Chatos and Arsos (Famagusta Zone) were closed down and a new sub-station opened at Angastina (S/9233, para. 9 (v)).

9. The Force has remained under the command of Lieutenant-General A.E. Martola. My Special Representative in Cyprus continues to be Mr. B.F. Osorio-Tafall.

B. Function and guiding principles

10. The function of the United Nations Peace-keeping Force in Cyprus was defined by the Security Council in its resolution 188 (1964) of 4 March 1964 in the following terms:

"in the interest of preserving international peace and security, to use its best efforts to prevent a recurrence of fighting and, as necessary, to contribute to the maintenance and restoration of law and order and a return to normal conditions".

11. That resolution was reaffirmed by the Council in its subsequent resolutions of 13 March, 20 June, 9 August, 25 September and 18 December 1964; 19 March, 15 June, 10 August and 17 December 1965; 16 March, 16 June and 15 December 1966; 19 June and 22 December 1967; 18 March, 18 June and 10 December 1968; and 10 June 1969.

/...

12. The guiding principles governing the operation of the Force, as summarized in my report of 10 September 1964 (S/5950, para. 7), remain in effect. The duties of UNCIVPOL are outlined in my report of 2 May 1964 (S/5679, para. 4).

13. The Political Liaison Committee continues to meet, as a rule, every ten days to deal with the problems of implementation of the mandate and questions involving relationships between the Cyprus Government and the Turkish Cypriot community. The UNFICYP Deputy Chief of Staff, who acts as Chairman, the Senior Political and Legal Adviser and his staff, the Police Adviser and the Force Economics Officer meet with Liaison Officers representing the Government and the Turkish Cypriot leadership separately. Between 3 June and 1 December 1969 the Committee held thirteen meetings with the Government Political Liaison Officer and twelve with the Turkish Cypriot Political Liaison Officer.

Casualties

14. During its current mandate, UNFICYP suffered no casualties in connexion with intercommunal incidents. However, one civilian policeman died as a result of a vehicle accident, one soldier was accidentally drowned and one warrant officer died from a self-inflicted wound.

Discipline

15. The over-all discipline, understanding and bearing of the officers and men of the United Nations Force have continued to be of a high order, and reflect credit on the Contingent Commanders, their staffs and the armed forces of the contributing countries.

C. Relations with the Government and with the Turkish Cypriot leadership

16. UNFICYP has continued to maintain close liaison with the Government of Cyprus and the Turkish Cypriot leadership and to maintain good working relations with both Government and Turkish Cypriot security forces.

D. Freedom of movement of the United Nations Force

17. Since my last report, there have been seven instances in which UNFICYP has been denied freedom of movement by the National Guard and six by the Turkish Cypriot fighters. With the exception of one case of deliberate obstruction in Polis by the local Turkish Cypriot leadership, these have been due to ignorance or misunderstanding of orders.

18. The number of restricted areas remain unchanged and is as outlined in my report of 11 June 1968 (S/8622, para. 15).

II. ACTIVITIES TOWARDS PREVENTING A RECURRENCE OF FIGHTING
AND CONTRIBUTING TO THE RESTORATION AND MAINTENANCE OF
LAW AND ORDER

A. Military situation

(i) Armed forces in Cyprus other than UNFICYP

(a) Government armed forces

19. The re-organization mentioned in my last report (S/9233, para. 20) was completed during the period of the present mandate and there have been no major changes in the over-all strength and the deployment of the National Guard. A call-up of the second half of the 1951 age-group took place in July 1969. Some camps were re-opened for summer training and some reservists have been recalled for short periods. In general, there seems to have been a slight increase in the amount of training this summer as compared to 1968. In most cases UNFICYP has been given due warning of exercises being carried out; no incidents have occurred which could be directly attributed to these activities.

20. A bill entitled "The National Guard (Special Orders) Law of 1969" has been approved by the Council of Ministers which would empower the Minister of Interior to organize a special task force of the National Guard to assist the police in dealing with the domestic security situation. The bill, which is to be considered by the House of Representatives at its next session, states that the Minister of Interior "may, whenever he considers it advisable for purposes of security of life or property, and with the approval of the Council of Ministers, assign to the National Guard special duties in connexion with internal security and, to this effect, set up a special unit, the numerical strength of which is to be determined by a decision of Council of Ministers." The Minister would be authorized to issue the necessary directives for the new task force, which would have the same powers and privileges and exercise the same protective functions as if it were part of the Cyprus police, in accordance with existing police legislation and regulations.

(b) Turkish Cypriot armed elements

21. The reorganization of some Turkish Cypriot fighter units along more conventional military lines has continued, most noticeably in the Nicosia area. Although Turkish Cypriots are still being conscripted into fighter units, there are no indications that there has been any major change in the over-all strength of the organization.

22. Compared with last year, there has been a marked increase in training activities during the summer months. This has led to numerous complaints from the Government, particularly where exercises have been carried out close to Government-controlled areas and when no warning has been given to UNFICYP. There have also been persistent reports in a number of Greek Cypriot newspapers alleging that the Turkish Cypriots were re-arming and planning to create incidents in certain parts of the Island. President Makarios himself, when inspecting a number of National Guard training centres in October, expressed serious concern over what he termed "the military preparations of the Turkish Cypriots". Alluding to the President's remarks and the charges levelled in the Greek Cypriot Press, the President of the Turkish Communal Chamber, Mr. Denktash, said that it was completely wrong to accuse the Turkish Cypriots of preparing for war; all the Turkish Cypriots were doing was to carry out such normal exercises as were necessary for any military force. In this context, the Turkish Cypriots have also again denied that they were receiving new weapons from abroad or were locally manufacturing arms and ammunition (S/9233, para. 23).

(c) The Greek and Turkish National Contingents

23. The two National Contingents have remained in the locations occupied by them since December 1963 (S/5950, para. 26) and at the same strength.

24. A partial rotation of the Greek National Contingent took place on 14 July 1969.

25. Half of the Turkish National Contingent was rotated on 30 September 1969. The amount of ammunition and stores brought in by the arriving troops was negotiated with the Government of Cyprus through UNFICYP's good offices. As in previous rotations, UNFICYP provided escorts, observers and road transport facilities.

(ii) General assessment of the situation with regard to preventing a recurrence of fighting

26. The military situation has been quiet during the period covered by this report. However, neither the Government nor the Turkish Cypriot leadership have made any significant alterations in the disposition of their armed forces. Although both have continued to maintain a defensive posture, the number of positions in the areas of military confrontation and the strength at which they are maintained have remained unchanged. On 5 August 1969, the Force Commander, recognizing that the time was still not propitious for achieving large-scale military disengagement, proposed certain modest measures for lessening the acute confrontation along the Nicosia Green Line. His proposals provided for simultaneous relocation of National Guard and Turkish Cypriot fighters so that they would not remain in full view of each other, and their replacement by Cyprus police and Turkish Cypriot police elements respectively. The Government accepted the proposal, but the Turkish Cypriot leadership replied that, while appreciating the sincere and commendable intention behind them, it would not agree to their full implementation. The Turkish Cypriots stressed, in this connexion, that their military disposition was of a purely defensive nature in the face of much superior strength of the National Guard, and that an atmosphere of trust and confidence would have to be created before the measures proposed by UNFICYP could be accepted in their entirety. At this juncture, they were only willing to consider mutual redeployment of Turkish Cypriot fighters and National Guard sentries at one or perhaps two points along the Green Line. UNFICYP will continue to press this matter.

27. The Nicosia Green Line has been of concern to UNFICYP on some other occasions during the last six months. In June and July, both the Government and the Turkish Cypriot leadership complained about incidents involving sentries who threw stones and shouted abuse at each other. Following UNFICYP's representations, the number of such incidents decreased significantly. The construction and repair of buildings and their occupation on the Green Line proper have also caused complaints, but through UNFICYP's good offices most problems have been solved without creating undue hardship to owners and tenants. It should also be recorded that the Cyprus police have continued to patrol without incident the whole length of Naousis Street at regular monthly intervals (S/9233, para.35)

B. Specific developments and action taken by UNFICYP

Observance of the cease-fire

28. There were thirty shooting incidents during the period under review. After investigation by UNFICYP, sixteen of these were attributed to the National Guard and fourteen to Turkish Cypriot fighters. Three cases can be classed as deliberate violations of the cease-fire by individuals, two by Turkish Cypriot fighters and one by a soldier of the National Guard. A serious incident occurred on 19 June when a Turkish Cypriot fighter, posted on the Green Line near Naousis Street, fired two aimed bursts of Thompson sub-machine gun fire at a National Guard post some 20 metres away. These struck the sentry box but caused no injury. Very commendably, the fire was not returned by the National Guard sentry, thus averting a dangerous escalation. Action was taken quickly by UNFICYP to restore calm, and although both the National Guard and the Turkish Cypriot fighters in the vicinity immediately brought their positions up to full strength, the situation returned to normal after a few hours. On 14 November, on the Green Line in Nicosia walled city, one shot was fired by a National Guard sentry, wounding a Turkish Cypriot civilian youth in the foot. The incident was not witnessed by UNFICYP, but it appears that the National Guard sentry loaded his weapon and pointed it at the Turkish Cypriot youth after some provocation and in order to frighten the youth away. National Guard Headquarters expressed regret over the incident and informed UNFICYP that the soldier involved would be punished. Turkish Cypriot fighters who had come to the scene of the incident showed commendable restraint and withdrew upon UNFICYP's request.

Summary of shooting incidents

	3 June 1969 to 1 Dec 1969	3 Dec 1968 to 2 Jun 1969	8 June 1968 to 2 Dec 1968	8 Mar 1968 to 7 Jun 1968	7 Dec 1967 to 7 Mar 1968
Nicosia West District	4	4	7	2	1
Nicosia East District	6	1	9	4	7
Famagusta Zone	6	1	1	3	5
Limassol Zone	5	7	4	1	6
Lefka District	3	7	11	8	23
Kyrenia District	6	5	33	21	25
TOTAL	30	25	65	39	67

C. Developments relating to the maintenance
of law and order

29. The UNFICYP Civilian Police (UNCIVPOL) has continued to contribute to the maintenance of law and order in Cyprus. Its responsibilities include investigation of matters of a criminal and intercommunal nature, the manning of posts in sensitive areas, joint patrols with the Cyprus police and the marshalling and escorting of the Kyrenia Road convoys.

30. UNCIVPOL's close liaison and good relations with the Cyprus Government police and Turkish Cypriot Police elements have been maintained at all levels. These, in addition to the confidence shown to its members by both Greek and Turkish Cypriots, have proved of great value in the performance of its daily work.

31. During the period under review, UNCIVPOL has conducted over 600 investigations, including fifteen cases of homicide and death. Enquiries also covered theft of animals, illegal cultivation of land, unlawful digging for antiquities in Turkish Cypriot-controlled areas, damage to crops and property and other police matters. However, only few offences were of a serious nature - an encouraging feature reflecting improved intercommunal relations. UNCIVPOL has also investigated several vehicle accidents on the Kyrenia Road, most of which have involved foreign nationals and tourists using the road outside convoy hours.

32. The murder of a Cyprus police officer and the attempted assassinations of other police and Government officials have been a cause of serious concern. Along with bomb explosions at the House of Representatives and at the entrance to the Presidential Palace, these crimes have been attributed to Greek Cypriot extremist organizations. The Government has declared such groups illegal and Archbishop Makarios strongly denounced those responsible for these activities. He emphasized that he would never compromise with violence and terrorism and that the Government was taking all measures to put a definite end to the "National Front" and any other similar organizations. (See also para. 20 above).

33. The coroner's inquest into the killing near a National Guard post of a Turkish Cypriot on 6 June 1968 (S/8622, para. 44, S/8914, para. 34 and S/9233, para. 44) was finally concluded on 26 June 1969. The finding recorded was that the deceased met his death as a result of shooting "under circumstances amounting to self-defence".

III. ACTIVITIES TOWARDS A RETURN TO NORMAL CONDITIONS

34. There has been a steady improvement in the situation from the point of view of a return to normal conditions of life. Contacts between Greek and Turkish Cypriots have continued to spread to higher levels, and Government officials have been in direct touch with Turkish Cypriot leaders more frequently than at any other time since December 1963.

35. A remarkable development was the joint participation, for the first time since 1963, of Greek and Turkish Cypriots at two important international conferences which were held in Nicosia: the United Nations Seminar on Special Problems relating to Human Rights in Developing Countries, and the twenty-second Plenary Assembly of the World Federation of United Nations Associations (WFUNA). Following a series of consultations in which UNFICYP was involved, the Cyprus delegation to the Human Rights Seminar was composed of four Greek Cypriots and one Turkish Cypriot; the Attorney-General of the Republic, Mr. C.G. Tornaritis, and the former President of the Supreme Court, Justice M. Zekia, who is a Turkish Cypriot, were among them. The delegates were assisted by alternates, among them a Turkish Cypriot. Initially, there were misgivings on the part of the Turkish Cypriot leadership and Turkey about holding the Seminar in Cyprus. However, the agreement on the composition of the Cyprus delegation had a favourable impact on the proceedings of the Seminar; both Greek and Turkish Cypriot participants made constructive contributions to its success. It may also be mentioned that the head of the Cyprus delegation, Justice M.A. Triantafyllides was unanimously elected Chairman of the Seminar. All members of the Cyprus delegation, including the Greek Cypriot secretariat members, were guests at a reception given by the Vice-President at his residence in the Turkish quarter of Nicosia. This was the first time Government officials had attended such a function since the outbreak of the disturbances in December 1963.

36. On 7 September 1969, at the opening ceremony of the twenty-second Plenary Assembly of WFUNA, Archbishop Makarios and Dr. Kuchuk shook hands and exchanged a few words for the first time in six years. At this inaugural meeting, which was addressed by the President of the Republic, Dr. Kuchuk and other high officials of the Turkish Cypriot leadership, including Mr. Denktash and Mr. Orek,

were seated together with members of the Government and the President of the House of Representatives, Mr. G. Clerides. Subsequently, the Turkish Cypriot Information Centre made it known that Dr. Kuchuk and other Turkish Cypriot leaders had attended the ceremony upon being invited by the Organizing Committee in their official capacities. Throughout the deliberations of the Plenary Assembly both Greek and Turkish Cypriot members of the Cyprus delegation played an active role, and Justice M.A. Triantafyllides, the President of the United Nations Association of Cyprus (UNAC), was unanimously elected President of the World Federation.

37. Following consultations by UNFICYP, both Greek and Turkish Cypriot participants are also attending, as members of a joint Cyprus delegation, the Inter-Regional Meeting of Experts on Vocational Training for the Hotel and Tourist Industry, being held in Nicosia under the auspices of the ILO from 24 November to 6 December 1969.

38. A further contact between senior Government officials and Turkish Cypriot leaders, including Dr. Kuchuk, took place when Foreign Minister S. Kyprianou, together with officials of his Ministry, attended, as he did last year, a reception in the Turkish quarter of Nicosia by the Chargé d'Affaires of Turkey, on the occasion of the anniversary of the establishment of the Turkish Republic. The atmosphere of cordiality which prevailed at this reception was noted by all those present.

39. Moreover, senior Government officials, as well as a member of the Turkish Cypriot leadership, addressed a seminar for junior diplomats organized in Kyrenia by the Carnegie Endowment for International Peace under the auspices of the Cyprus Government.

40. In the economic field also, there have been rapidly increasing contacts between Greek and Turkish Cypriots and some encouraging signs pointing to a growing awareness of the desirability of reversing the trends towards separate economic development (S/9233, para. 60). For example, the Turkish Cypriot member of the Cyprus delegation, Justice N. Munir, addressing the Economic and Social Commission of the WFUNA Plenary Assembly, stated that the problems arising - and which would continue to arise - in view of the very wide gap between the

economic levels of the two communities could and should be tackled even prior to the achievement of a political settlement, since the narrowing of such a wide economic gap - like the narrowing of gaps in other fields - could in itself be an important factor which might greatly contribute to a political settlement. On 24 October, Mr. Clerides, speaking at a commemorative ceremony, expressed similar thoughts, stressing in particular that co-operation with the Turkish Cypriots in the economic field could contribute to the creation of favourable conditions for a fair and practical solution, "because one should not overlook the fact that the strength of economic co-operation, especially at a time of peace, was able to reduce and alter political conflicts". In a speech to the Lions Club on 17 November, Mr. Clerides reiterated that the Turkish Cypriots must be encouraged to co-operate with the Greek Cypriots in the economic life of the Island.

41. Among illustrations of this interest in closer economic co-operation, the following may be worth mentioning:

(a) The Cyprus Development Corporation, a public company providing medium and long-term financing for productive works in industry, agriculture, tourism and mining and whose Board of Directors includes a Turkish Cypriot, is preparing projects which will also benefit the Turkish Cypriot community.

(b) Enquiries are being made for full Turkish Cypriot representation on a number of Government bodies including the Grain Commission and the Marketing Boards recently set up to handle agricultural products of major economic importance such as potatoes, carrots, olive oil and milk, with the object of ensuring the most satisfactory conditions for the marketing of crops and, in the long run, for increasing profits for producers.

(c) Turkish Cypriot participation in the Higher Technical Institute, established by the Cyprus Government with the assistance of the United Nations Development Programme (UNDP) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), has expanded. There are now two Turkish Cypriots on its Governing Board, two Turkish Cypriot lecturers and, for the first time, Turkish Cypriot students attending courses.

(d) Turkish Cypriots, who are already represented on the Board of the Cyprus Productivity Centre, a Government institution assisted by UNDP and the International Labour Organisation (ILO), may soon attend its courses for the

promotion of better techniques in industry and management and for the up-grading of foremen and skilled workers.

(e) There have been noticeably more commercial exchanges between Greek and Turkish Cypriot businessmen, and more frequent contacts between representatives of the Cyprus Chamber of Commerce and Industry and the Turkish Cypriot Chamber of Commerce. These contacts were especially frequent during the Cyprus International Fair, which was held in Nicosia in September 1969 and at which Turkey, after an interval of five years, participated again with a pavilion of her own.

42. Among other developments which may be mentioned in this context are the Government's decision to call on Turkish Cypriot contractors for repairing houses of returning Turkish Cypriot displaced persons (para. 50 below) and the reactivation of two Greek Cypriot-owned lime kiln factories north of Nicosia, one in a Turkish Cypriot-controlled area and the other in "no-man's land" between military positions of the National Guard and Turkish Cypriot fighters.

43. A recent series of measures taken by the Government to combat inflationary tendencies has focused attention on the present economic situation and its serious impact on intercommunal relations. These measures, which have been criticized in certain Greek Cypriot quarters, particularly by the Cyprus Chamber of Commerce and Industry, have also provoked strong reaction from the Turkish Cypriot leadership. The latter considers the "credit squeeze" and the increase in excise and customs duties on certain goods as a heavy blow to the economic development of its community, which, it says, may curtail building activity and cause more hardship on account of the continued housing shortage.

44. During the period under review there has also been better co-operation between Greek and Turkish Cypriots in the field of agriculture. For the first time in four years the island-wide carob and olive harvests were completed without incidents. Greater willingness has been shown in making local arrangements through UNFICYP for the cultivation of fields in militarily restricted areas. Thus, for example, this year Turkish Cypriot farmers have been allowed to harvest crops in the restricted areas of Mansoura, Ayios Theodoros and Selemani near Kokkina on the north-west coast and to grow winter crops within

twenty metres of the National Guard position at Gaziveran (Lefka District). Similarly, Greek Cypriot farmers of Lefkoniko (Famagusta District) have been allowed to till their fields in the Turkish Cypriot-controlled area of Psilatos. These arrangements have contributed to an improvement of intercommunal relations in these regions.

45. Interest of Turkish Cypriot farmers in soil conservation and the mixed farming projects financed by the Government and the World Food Programme has been maintained and some 1,200 Turkish Cypriots participate in both projects. Furthermore, Turkish Cypriot villages are to benefit from a number of irrigation development projects sponsored by the Government and UNDP; Turkish Cypriot participation in a UNDP project for strengthening veterinary services is also forthcoming.

46. It is also worth mentioning that Turkish Cypriots have been allowed to apply for the lease or purchase of Government-owned (Hali) land on an equal basis with Greek Cypriots. The Government has, moreover, confirmed that Turkish Cypriots whose land situated east of Kyrenia was requisitioned for military purposes are to receive retroactively reasonable and just compensation.

47. In the field of public services, co-operation between Greek Cypriots and Turkish Cypriots has noticeably improved, especially at the local level. Through the good offices of UNFICYP, agreement has been reached on a number of issues. Of particular value have been the arrangements enabling the Government to proceed with the Famagusta water supply project and the local understandings concerning the renewal or repairs of water systems in several Turkish Cypriot villages in the Nicosia and Kyrenia Districts. However, water resources and the provision of relevant services continue to pose problems especially since Greek Cypriots are denied access to Turkish Cypriot-controlled areas.

48. Progress has been achieved in providing electricity to a number of Turkish Cypriot and mixed villages. During the current year, electricity has been installed in Platanisso and Platani (Famagusta District), Tremetousha, Arsos and Ayios Theodoros (Larnaca District), Elea and Petra Tou Diyenis (Nicosia District) and Mandria (Paphos District).

49. In October 1969, agreement was reached with UNFICYP assistance on the extension of the ad hoc land records arrangement of 1966 (S/7611, paras. 149-155).

Under the new agreement, the Turkish Cypriot leadership will hand over to the Government a considerable number of remaining land record documents and the Government will, upon request, make available to the Turkish Cypriot side relevant files as well as photo-copies of some field books. This development is a significant step towards normality in this particular field, although both sides have been accusing each other of discouraging the sale of land to members of the other community.

50. The return of Turkish Cypriot displaced persons to their villages (S/9233, paras. 47-48) has continued, although at a slower rate than initially hoped for. There has been some delay in repairing houses owing to a shortage of labour, particularly among building workers. In this connexion, the President stated on 17 October 1969 that the Government, with a view to speeding up repair work, was willing to enlist the help of Turkish Cypriot contractors on the basis of estimates prepared by the competent Government department. A list of Turkish Cypriot building contractors was compiled by the Turkish Cypriot leadership and conveyed through UNFICYP to the relevant Government authorities on 4 November. It is expected that the proposed arrangements will also benefit the Turkish Cypriot community economically and accelerate the return of displaced persons to their former homes. It is understood that repair work is to start immediately in Nisou, a mixed village in Nicosia District, as well as in the Turkish Cypriot villages of Kourtaka and Pytargou in Paphos. As stated previously, UNFICYP is prepared to assist in any resettlement scheme conducive to the rehabilitation of displaced persons.

51. During the last few months, a number of Turkish Cypriot families have returned to the mixed villages of Peristerona and Ayios Sozomenos (Nicosia District) and to the Turkish Cypriot village of Kithasi (Paphos District). The Turkish Cypriots from Polis (Paphos District) and Aplanda (Larnaca District) are willing to return as soon as repairs to their houses have been completed. It may be pointed out that whereas prior to the period covered by this report most of the Turkish Cypriots returning to their villages were shepherds, landowners also are returning now. As a result, many fields are being cultivated this year for the first time since 1964.

52. The Turkish Cypriot leadership is also providing assistance to displaced persons by means of hardship allowances and long-term loans at low interest rates. Funds have been provided to build accommodations for families in Ghaziveran, Lefka, Limnitis and Kokkina (Lefka District). In addition, houses have been built in Kophinou and Ayios Theodoros (Larnaca District).

53. The situation in the Nicosia suburbs of Omorphita and Neapolis has remained unchanged (S/9233, paras. 49-53). The Government has maintained its stand that Turkish Cypriots cannot return to their houses in the Government-controlled part of these two suburbs so long as Greek Cypriots are prevented by the Turkish Cypriot leadership from having free access to their homes and properties, situated in those parts of Omorphita and Neapolis which are under Turkish Cypriot control.

54. In the matter of freedom of movement there has regrettably been no major change. The Government has continued to express serious concern at the lack of free access by Greek Cypriots to Turkish Cypriot-controlled areas. Besides the Turkish Cypriot "enclaves" a number of Turkish Cypriot villages and public trunk roads remain closed to Greek Cypriots although Turkish Cypriots have been moving freely throughout the Island for nearly two years except in militarily restricted areas (S/9233, para. 55). In this respect, the Government considered certain measures taken last August by the Turkish Cypriot leadership with a view to easing traffic restrictions on the Kyrenia and Trypimeni roads as entirely inadequate and as a thinly disguised attempt to secure recognition of the "provisional Cyprus Turkish administration". Under these measures, the Turkish Cypriot leadership has so far permitted some forty Greek Cypriot families to travel, on grounds of "reasonable necessity", between Nicosia and Kyrenia during daytime, as free runners outside the United Nations convoy. As to Trypimeni, the Turkish Cypriot leadership has indicated that a school bus with Greek Cypriot school children from this village may use the road leading through the Turkish Cypriot-controlled area, provided that the licence number of the bus, the name of the driver and the frequency of the trips are made known in advance. The Government is not interested in the proposed arrangements and, as in the past, insists that full freedom of movement be given to all Cypriots.

55. The Turkish Cypriot leadership still maintains that unrestricted movement of Greek Cypriots through Turkish Cypriot-controlled areas is a matter closely linked to the security of their community and to other aspects of the Cyprus

problem, which do not allow independent treatment. In particular, the Turkish Cypriot leadership fears that giving Greek Cypriots unrestricted access to certain highways such as the Nicosia-Kyrenia road would lead to the establishment of Government authority over those areas. It therefore holds the view that the opening of such roads to Greek Cypriot traffic is linked with the question of the judiciary and the police, and that some agreement would first have to be found on these two constitutional issues on which written proposals have already been exchanged between Mr. Clerides and Mr. Denktash (S/9233, para. 61).

56. It is evident that freedom of movement for all citizens is an essential prerequisite for a return to normal conditions and it is therefore of paramount importance that continued consideration be given to finding means, which may include some of a pragmatic nature, to remove this long-standing anomaly.

57. On 17 July 1969, a bill was passed, similar to those enacted on approximately the same dates in 1965 (S/6569, para. 3), 1966 (S/7611, para. 106), 1967 (S/8286, para. 100) and 1968 (S/8914, para. 45), extending the tenure of the House of Representatives for a fifth period of up to twelve months. As on previous occasions, the Turkish Cypriot leadership announced that the unilateral action of the Greek Cypriot members of the House had compelled the Turkish Cypriot members to meet and extend their own tenure for a period not exceeding twelve months as from 16 August 1969.

58. In connexion with the latest extension of the mandate of the representatives and the formation earlier this year of a number of Greek Cypriot political parties, it has been hinted that parliamentary elections may take place before long. At a press conference on 17 October, President Makarios stated that elections for a new House might be held, barring unforeseen development, towards the end of next spring. The Turkish Cypriot leaders have let it be known in this regard that should elections be held by the Greek Cypriots, they will hold elections too. In this connexion, it may be recalled that one of the two sub-committees set up by Mr. Clerides and Mr. Denktash on 4 March 1969 is, under its terms of reference, examining an electoral system acceptable to both sides and is to make recommendations to that effect (S/9233, para. 62). On 20 November, the term of office of local (municipal and village) authorities was extended for another year under a law passed by the House of Representatives.

59. In a letter dated 7 November addressed to the Secretary-General, Vice-President Kuchuk placed on record his strong objections to the appointment of a Greek Cypriot to the post of Auditor-General of the Republic. This post, he stated, was one of the independent offices of the Republic still held by a Turkish Cypriot duly appointed in accordance with Article 115 of the Constitution; the purported unilateral appointment of a Greek Cypriot was therefore not only contrary to the provisions of the Constitution but also a nullity in law. Moreover, it constituted a retrograde step, particularly at a time when constitutional institutions such as the office of the Auditor-General were the subject of discussions at the current intercommunal talks. UNFICYP ascertained the position of the Government on the matter which may be summarized as follows: The appointment as Auditor-General of Mr. I. Stathis, a Greek Cypriot, who had hitherto been Deputy Auditor-General, was necessary in law for the legal functioning of the powers and duties of the Auditor-General and the proper running of his office. Mr. R. Tatar, a Turkish Cypriot, who was appointed Auditor-General at the time of the establishment of the Republic, had failed since 23 December 1963 to attend his office and to exercise his functions as Auditor-General. By becoming a member of the "provisional Cyprus Turkish administration" in December 1967, Mr. Tatar had unequivocally manifested his intention to cease to hold an office of the Republic. As it was a fundamental principle of public law that the performance of a public function by an organ of the State is compulsory, it was the duty of the President of the Republic to "take all steps which were absolutely necessary for the normal and unobstructed functioning of the powers and duties of the Auditor-General and his office".

IV. INTERCOMMUNAL TALKS

60. Mr. Clerides and Mr. Denktash have continued to meet in private. They have had some twenty-seven meetings during the third phase of their talks, which began on 3 February 1969 (S/9233, para. 61). While the interlocutors, during the first phase of the talks, exchanged views "on constitutional aspects of the Cyprus problem without submitting concrete proposals on any issue", and, during the second phase, "endeavoured to narrow the gaps on the issues on which no common ground had been accomplished and, at the same time, exchanged written proposals on all constitutional issues", i.e. judiciary, police, legislative, local government and executive, Mr. Clerides and Mr. Denktash have, since February, been dealing almost exclusively with the problem of local government

61. Following the receipt on 24 April 1969 of written proposals by Mr. Clerides on the question of local government (S/9233, para. 64), Mr. Denktash sought a number of clarifications and prepared a 9-point questionnaire. On 3 June, Mr. Clerides provided Mr. Denktash with written clarifications. Before Mr. Denktash, who had planned to submit counter-proposals prior to the summer recess, could do so, the talks were adjourned as Mr. Clerides had to leave abruptly for the United Kingdom for personal reasons. The Turkish Cypriot counter-proposals were handed to Mr. Clerides on 11 August after his return. On 1 September, Mr. Clerides commented in writing on these counter-proposals and finally, on 18 September, Mr. Denktash replied to Mr. Clerides' paper of 1 September, clarifying some of the points in the Turkish Cypriot counter-proposals. Soon thereafter, on 6 October, the talks were again adjourned as Mr. Denktash had to leave for the United Kingdom to undergo medical treatment. The two men resumed their talks on 1 December 1969.

62. The two sub-committees which were set up by Mr. Clerides and Mr. Denktash on 4 March 1969 have continued to meet in private. The Sub-Committee on the Legislature has met four times since June and the other, which deals with Independent Authorities, five times. Nothing has been said publicly about the deliberations of these two groups (S/9233, paras. 62-63).

...
/ ...

63. In their frequent statements to the Press, Mr. Clerides and Mr. Denktash repeatedly stressed that, despite the difficulty of finding common ground on the question of local government, i.e. on the composition of the local authorities and their relation to the central authorities of the Republic, no impasse had been reached. Whereas there was agreement on some other constitutional aspects, much time, perseverance and skilful handling would be needed to bridge the existing differences on local government. In this connexion, Mr. Clerides pointed out in a speech he made on 17 November that in the light of the long pre-history of unsuccessful efforts to solve the Cyprus problem by peaceful means, one should not be impatient in judging the progress of the current talks. Both interlocutors have strongly upheld their talks as the best procedure in the search for an accommodation, and have emphasized that the Cyprus problem cannot be resolved by resorting to force. Mr. Clerides has warned, however, that it would be erroneous to expect his side to abandon the principle of a unitary State and to accept a solution which would provide for a State which, while unitary in appearance, would in fact be run by three governments, i.e. a central Government with Turkish Cypriot participation and two communal governments, each exercising jurisdiction in its respective sphere over the entire territory of the Republic. Peaceful coexistence between Greek and Turkish Cypriots was, in his view, not only possible and desirable but also imperative and could best be ensured within the framework of a unitary system of government where both communities could maintain their national character and at the same time co-operate with one another. Mr. Denktash, for his part, denied that the Turkish Cypriots wished to "create a state within a state" of "three governments" and stressed that a unitary State was not alien to their plans, which aimed at ensuring, within an independent State, their security and existence as a community with full authority to run affairs within the exclusive competence of the community.

64. In a series of speeches and statements, particularly during October, President Makarios, while reaffirming that there was no alternative to the current talks between Mr. Clerides and Mr. Denktash, expressed the fear that the hopes which had been pinned on these exploratory talks were, as time went

on, diminishing and the prospects of a democratic solution receding. This he attributed to the intransigence shown by the other side, whose proposals were leading to a kind of political trichotomy and geographic partition. In the President's words, the Greek Cypriots "desire quiet, desire peace, but honourable peace and not peace at any price". Alluding to Archbishop Makarios' remarks, Dr. Kuchuk re-emphasized that the basic principles on which the State was established and the realities of the Island could not be ignored. The Turkish Cypriots were one of the two communities, which, in partnership, had established the State and whose legitimate rights had been legally recognized. It was therefore both natural and essential for the Turkish Cypriots to defend these rights and no other objective should be attributed to the Turkish Cypriots than a desire to ensure their identity and security.

65. Mr. Clerides and Mr. Denktash have, from time to time, briefed the Greek and Turkish Governments respectively on the progress of the talks. Similarly, Foreign Minister Kyprianou has had consultations with the Greek Government and had also an exchange of views with the Turkish Foreign Minister, Mr. Chaglayangil, in New York during the present session of the General Assembly. Both Greek and Turkish Government officials have made conciliatory statements on Cyprus. On 23 October, Prime Minister Demirel of Turkey, following his party's victory at the elections, stressed that his country wanted to solve the Cyprus problem through peaceful means, and expressed the hope that the current inter-communal talks would lead to a positive result. He felt that no time-limit should be set, and pointing out that peace and mutual understanding prevailed in the Island, emphasized that this was a gratifying development. His Foreign Minister, Mr. Chaglayangil, after meeting with Greek Foreign Minister Pipinellis in the beginning of October, had expressed similar thoughts, stressing the necessity and usefulness of continuing the intercommunal talks. For his part, Mr. Pipinellis declared at about the same time that it would be wrong to consider the local talks as deadlocked: with goodwill, patience and continued efforts, the existing difficulties in the search for a viable solution serving the interest of the Cyprus people as a whole could be overcome.

V. GOOD OFFICES OF THE SECRETARY-GENERAL

66. As in the past, the good offices exercised on my behalf by my Special Representative in Cyprus, Mr. Osorio-Tafall, have, during the period covered by this report, continued to be available to the parties directly concerned. He has maintained close contact with the Government and the Turkish Cypriot leadership and has continued to be informed by Mr. Clerides and Mr. Denktash, whom he has met regularly, of the substance and prospects of their discussions.

/...

VI. MEDIATION EFFORT

67. The situation regarding a resumption of the mediation function under paragraph 7 of Security Council resolution 186 (1964) of 4 March 1964 has remained unchanged since my last report, owing primarily to the widely differing and firmly held views on the matter of the three Governments most directly concerned.

VII. FINANCIAL ASPECTS

68. The costs to be borne by the Organization for the operation of UNFICYP for the period from its inception on 27 March 1964 to 15 December 1969 are estimated at \$110,210,000. This total does not include an estimate of \$590,000 which would be required for the final repatriation of contingents and liquidation costs.

69. As at 21 November 1969, payments and pledges of voluntary contributions received from forty-eight Member States and four non-member Governments to cover those costs total the equivalent of \$101,970,140. To the above may be added \$687,000 which have been received as at 21 November 1969 from interest earned on investment of temporarily surplus funds, public contributions, gains on exchange and other miscellaneous income.

70. Accordingly, unless additional pledges are received, there will be a deficit on 15 December 1969 in the amount of approximately \$7,553,000, on the assumption that all pledges will be paid in full.

71. In view of my deepening concern over the continuing deficit situation of UNFICYP, I appointed on 25 August 1969 a Secretariat Survey Team to look thoroughly into the financial situation of UNFICYP with particular attention to the possibility of reducing its cost to the Organization. The Team proceeded to Cyprus in September and on 1 November 1969 it submitted to me its report, which is attached below as an appendix.

72. In my report to the Security Council of 3 June 1969 (S/9233), I estimated the costs of UNFICYP to the Organization in the six-month period ending 15 December 1969 at \$7,345,000, exclusive of repatriation and liquidation costs. Until the Survey Team's suggestions have been acted upon, UNFICYP's costs may be expected to remain at this level; the reductions in cost that may result from the implementation of those suggestions will of course be reported to the Council in due course. In this connexion, it is my earnest hope that Governments will not delay making pledges pending more precise cost estimates for the period and that reductions in costs will not lead Governments to lower the level of their support to the UNFICYP operation so long as there is a deficit in the UNFICYP Special Account.

VIII. OBSERVATIONS

73. The improvement in the situation in Cyprus, which began in December 1967, has continued during the period under review. There were few intercommunal incidents and no major breaches of the cease-fire. The atmosphere of mutual restraint and the prevailing quiet have helped to create a climate of progressively better understanding between Greek and Turkish Cypriots in certain areas, which has greatly facilitated the solution of numerous day-to-day problems, in particular those affecting farmers and the business community; it has also improved prospects for the employment of an increasing number of Turkish Cypriots through government labour exchanges. Another encouraging development has been the joint participation of Greek and Turkish Cypriots at several international conferences held recently in Nicosia.

74. Despite this improvement, however, solutions of the basic problems dividing the two communities are still not in sight. The National Guard and the Turkish Cypriot fighters continue to stand in direct confrontation in sensitive areas and to maintain a high degree of military preparedness and vigilance. After nearly eighteen months, the intercommunal talks have yet to achieve any meaningful agreement on the fundamental political issues.

75. I have expressed on several occasions and most recently in the Introduction to my Annual Report to the General Assembly (A/7601/Add.1, paras. 77-79), my concern over the slow progress in the intercommunal talks. I have pointed out to the parties that the passage of too much time might hamper rather than facilitate the settlement. While I realize that the issues involved are too complex and too deep-seated for a solution to be easily found, I remain convinced that the Cyprus problem can be settled peacefully if the conflicting parties have the will and the determination to achieve agreement. The understanding which led to the intercommunal talks in June 1968 was a great step forward in the search for a settlement of the Cyprus problem. It was achieved because the parties, in the interest of peace in the area, were able

to overcome some of the suspicion and mistrust which affected their relations. Now that the intercommunal talks have resumed after an interval of nearly two months, it is my earnest hope that the parties will find it possible to exert a determined effort and to make the mutual concessions and accommodations necessary to expedite the progress of the talks and achieve agreement on substantive issues.

76. While the intercommunal talks continue, a number of measures could be usefully taken further to improve the situation in the Island, particularly as regards military disengagement and a return to normal conditions. UNFICYP's efforts to persuade the parties to agree to military disengagement have so far achieved no tangible result. Both Government and Turkish Cypriot security forces are still being maintained at high levels of strength. At a time when the parties seem agreed that their problems cannot be solved by further resort to violence, it is not unreasonable to expect them to reconsider their policy of keeping a large number of young men under arms who would otherwise be engaged in economically productive activities.

77. It is also to be hoped that the Turkish Cypriot leadership will give renewed consideration to UNFICYP's proposals, to which the Government has already agreed, for replacing military sentries by police along the entire Nicosia Green Line. There is no doubt that as long as the present close military confrontation persists, tension will inevitably remain high, and with it the risk of accidental armed clashes. This, despite the policy of restraint of the Government and of the Turkish Cypriot leadership, can only hinder improvement in the political atmosphere.

78. Nearly six years of patient and persistent efforts, in which UNFICYP has played a vital role, have resulted in a great improvement in the situation in Cyprus. Nevertheless, in view of the undoubted fact that the situation remains basically unstable and uncertain, I see no reasonable alternative to recommending

a further extension of the stationing of the United Nations Force in Cyprus. Since it is unrealistic in the present circumstances to expect that an agreement can be quickly reached in the intercommunal talks, I am definitely of the view that the period of extension should again be for six months. All the parties concerned have informed me of their agreement to this proposed extension.

79. In making this recommendation, I must once again draw attention to the financial difficulties facing UNFICYP. While the deficit of the UNFICYP budget has recently been somewhat reduced, the voluntary contributions still fall far short of the requirements. As I have stated earlier in this report, in view of my deepening concern over the continuing deficit, I appointed in August 1969 a Secretariat Survey Team to look thoroughly into the financial situation of UNFICYP with particular attention to the possibility of reducing its cost. The members of the Security Council will observe that the Survey Team has indicated certain courses of action which might over a period of time result in reductions in the cost of UNFICYP to the United Nations. These suggestions seem to me to be generally sound, and I intend, if the Council should decide to extend the mandate of UNFICYP beyond 15 December 1969, to put them into effect in consultation with the Governments concerned and with my Special Representative in Cyprus and the Force Commander. However, it must be borne in mind that the above measures can only alleviate the financial problem of UNFICYP, not solve it. The solution of this problem can be achieved only by devising a more adequate method of financing, or by a substantial increase in voluntary contributions, both as regards the level of contributions and the number of contributing countries. It is to be noted that little more than one third of the Members of the United Nations have contributed to the UNFICYP Special Account. I consider it my duty to bring this problem once again to the urgent attention of the members of the Security Council.

80. In concluding this report, I wish once more to place on record my deep appreciation to the Governments providing contingents to UNFICYP and to those Governments which have generously made voluntary contributions for its maintenance. I wish also to take this opportunity to express my appreciation to my Special Representative, the Commander of the Force, and its officers and men, as well

as the UNFICYP civilian staff, for the exemplary manner in which they are carrying out their important and difficult tasks. To the Force Commander, Lieutenant-General A.E. Martola, who is about to relinquish his command at his own request after three and one-half years of devoted and distinguished service, I would wish to pay a special tribute for the outstanding contribution which he has made to the United Nations effort in Cyprus.

APPENDIX

Note by the Secretary-General

The Secretariat Survey Team which was requested by me to look thoroughly into the financial situation of UNFICYP submitted its original report, as requested, prior to 1 November 1969.

The financial data contained in that report related to the situation as at 15 October 1969, but as there have been substantial receipts of contributions from, and payments made to, Governments since that date, I have requested that the relevant figures in the report be up-dated to reflect the financial situation as at 21 November 1969.

30 October 1969

Report on UNFICYP by the Secretariat Survey Team

I

1. On 25 August 1969, the Secretary-General announced that he would send a Secretariat Survey Team to Cyprus (Press Release SG/SM/1147 and CYP/567), because the continuing deficit situation of the United Nations Peace-keeping Operation in Cyprus was of serious concern to him. The function of the Secretariat team was to "look thoroughly into the financial situation of UNFICYP, with particular attention to the possibility of reducing its cost". Members of the team were Mr. William McCaw, Deputy Controller, Mr. Brian Urquhart, Director in the Offices of the Under-Secretaries-General for Special Political Affairs, and Lt. Colonel Louis Monteagle, Liaison Officer of the Military Staff Committee.

2. The team arrived in Cyprus on 15 September 1969 and devoted the subsequent week to its examination of the UNFICYP (United Nations Peace-keeping Force in Cyprus) operation. Of this week, two days were spent in an intensive tour of the UNFICYP contingents in their various areas of operation. The remainder of the time was spent largely in consultation with the Special Representative of the Secretary-General, the Force Commander and the civilian and military members of Headquarters Staff. The survey team wishes to record its appreciation of the whole-hearted co-operation and assistance which was afforded to it throughout its stay in Cyprus.

II

General Considerations

3. The situation in Cyprus and the activities of the United Nations Peace-keeping Operation are set out in detail in the series of reports which the Secretary-General has made since 1964 to the Security Council on the United Nations Operation in Cyprus, the last of which was document S/9233 dated 3 June 1969. Since that time there has been no significant change either in the

situation in the island or in the composition and deployment of the United Nations Force. It may, however, be useful as a preface to the consideration of the financial situation of UNFICYP to make a few comments on the present situation in Cyprus and UNFICYP's relation to it, based upon the direct impressions of the survey team.

4. Any study of UNFICYP must obviously start from its mandate. This mandate is laid down in paragraph 5 of Security Council resolution 186 (1964) as follows:

"the function of the force should be, in the interest of preserving international peace and security, to use its best efforts to prevent a recurrence of fighting and, as necessary, to contribute to the maintenance and restoration of law and order and a return to normal conditions;"

5. A tour of the contingents of the Force in their various positions and deployment areas throughout the island gives the impression of a well organized, highly disciplined and economical operation in which leadership is good, morale is high and the relations with the local authorities and population of both communities are excellent. The fact that UNFICYP is a good bargain in terms of the improvement in the situation in the island and in the wider context of international peace is emphasized by the contrast between the present relatively relaxed atmosphere in Cyprus and the tension and violence, and the resulting international concern, which prevailed only a few years ago. It should also be noted that as far as costs are concerned, UNFICYP is relatively cheap as military organizations go, because the United Nations does not pay for a wide variety of basic costs including, in some cases, the daily pay and allowances of the contingents.

6. Although the United Nations operation has provided the necessary climate and conditions for a very considerable degree of pacification and normalization of life in the island, it cannot be removed in the present circumstances without a grave risk to continuing peace in Cyprus, with all the accompanying implications for international peace. The concern for a reduction in the cost of UNFICYP is understandable in view of the present peaceful situation in the island and of the fact that the United Nations Force is not as preoccupied with day-to-day incidents as originally was the case. The fact of the matter is, however, that

the actual physical presence of UNFICYP and its interposition between the parties in areas of confrontation are at present an essential condition of the reasonably peaceful atmosphere in the island, an atmosphere which is in its turn indispensable to an improvement in the political climate and to the ultimate success of the intercommunal talks. While the basic problems of Cyprus remain unsolved, it would seem highly unwise to make a reduction in the strength and effectiveness of UNFICYP on the basis of the present degree of quiet, which is in large measure a result of its presence in the island.

7. Although much progress toward normalization of life in the island has been made in the past year, there are important areas in which little or no progress has been made. From the UNFICYP point of view the most serious of these is the problem of military confrontation between the forces of the two communities. This confrontation is seen in its most acute form in and around the capital city of Nicosia itself, but it exists also in a number of lesser armed confrontations in other parts of the island. It is in these areas that the greater part of UNFICYP is deployed, often in static positions boldly interposed between the military and para-military forces of both sides. Until the military posts on both sides in these confrontation areas are removed, the removal of the UNFICYP presence would unquestionably give rise to grave risks of renewed violence. Persistent efforts by the Special Representative and the Force Commander to achieve a reduction in armed confrontation have so far had little success.

8. Another basic fact about the Cyprus situation, which is connected with the confrontation problem, is the presence in the island of large numbers of armed men on both sides. On the Greek Cypriot side the majority of these are in the National Guard, while on the Turkish Cypriot side they are for the most part in the Turkish fighter organization which comprises a very large proportion of all males of military age in the Turkish community in varying states of mobilization and readiness, but all available for military duty at very short notice.

9. Another current anomaly in Cyprus is the fact that while Turkish Cypriots may now travel virtually anywhere in the island, there are a number of Turkish

enclaves where Greek Cypriots are not permitted to go and through which they may not normally travel. The largest of these is the Turkish enclave north of Nicosia astride the main road to Kyrenia. Apart from mitigating the frictions inevitably created by such a limitation, UNFICYP performs a series of indispensable duties designed to make its results more tolerable. In terms of manpower, the largest of these commitments is the Kyrenia convoy, which is run under United Nations auspices twice a day in each direction to make it possible for Greek Cypriots to use the direct road between Nicosia and Kyrenia.

10. The intercommunal situation throughout the island, although it has greatly improved, still gives rise at the local level to a series of problems, any one of which, if wrongly handled, might be the starting point of a serious intercommunal incident. The good offices of UNFICYP, and especially of the civilian police element, in these day-to-day intercommunal problems are unquestionably a most valuable contribution to the normalization process and to reviving some degree of confidence between the two communities themselves.

11. The main possible areas for a reduction in UNFICYP costs are in the size and composition of the Force, in the reimbursable charges made by Governments, and in administrative costs. Considerable reductions have already been effected in the size and cost of UNFICYP. UNFICYP reached its maximum strength of 6,369 in November 1964, including 174 United Nations Civilian Police (UNCIVPOL). Its present strength, after a recent over-all 25 per cent reduction, is approximately 3,652, including 174 UNCIVPOL (see annex A). It is, however, the considered opinion of all concerned in UNFICYP that a further over-all reduction in the strength of the Force should not be made unless there is a major reduction in the areas of direct military confrontation between the two communities and a concurrent and considerable improvement in the political situation, including serious progress on basic issues in the intercommunal talks. At the present time the Force Commander estimates that the availability of approximately 2,000 UNFICYP military personnel for operational tasks is a minimum requirement under the existing mandate and finds that the present strength barely provides this minimum.

12. In the situation briefly described in the above paragraphs, it would, in the opinion of the survey team, be highly unwise at this stage to reduce the effective operational strength of UNFICYP. As for future developments relating to UNFICYP, there are three main possibilities:

(a) If serious improvements take place in the political situation and there is real progress in the intercommunal talks, accompanied by a reduction in the areas of confrontation, it should be possible to make a further reduction in the strength of UNFICYP. If this improvement were to continue, it should be possible ultimately to recommend to the Security Council a change in the mandate of UNFICYP and in the composition and nature of the operation itself, which would presumably result in very considerable reductions in cost and, eventually, in the termination of United Nations responsibility in the island.

(b) If no such progress is apparent, it would seem only wise to maintain the present effective operational strength of UNFICYP.

(c) A worsening of the intercommunal situation in Cyprus cannot be entirely ruled out. If such a regrettable development were for some reason to take place, it might well be necessary at short notice to increase the effective operational strength of UNFICYP.

III

Assumptions

13. In the light of the considerations mentioned above, the survey team based itself upon three main assumptions

- (i) The mandate and responsibilities of UNFICYP are, for purposes of the survey team's study, those laid down in the Security Council's resolutions. In any case, the mandate of UNFICYP can only be changed by Security Council action.
- (ii) The effective operational strength of the Force should not be significantly reduced, until the areas of

confrontation are reduced and there are significant improvements in the political situation, including serious progress in the intercommunal talks.

- (iii) The present multinational composition of the Force should be preserved.

IV

Considerations affecting the scope of the survey team's work

14. Circumstances dictate certain limitations within which a survey team of this kind can suggest means of financial economy. The most important of these is the proportional ratio between expenditures which are actually controlled by the United Nations and expenditures over which the United Nations as such has little or no effective control. It will be seen from paragraphs 33-36 below that most of the costs of UNFICYP to the Organization represent reimbursements of their extra and extraordinary costs to Governments providing contingents for the Force and to the United Kingdom Government for logistical support provided to UNFICYP contingents other than its own. In the case of the Governments providing contingents to the Force which are already absorbing at their own expense appreciable amounts of such extra costs, it is doubtful that they could be prevailed upon, or even whether it would be reasonable to call upon them, to further appreciably reduce their claims for reimbursement, or their charges for logistical support. The items representing the balance of the total cost of UNFICYP, which represent only about 10 per cent of that total, offer limited possibilities for cost reductions.

15. A second important limitation is set by the political considerations which govern the composition of a United Nations peace-keeping force. A previous Secretariat survey team well described this category of considerations as follows:

"In carrying out its task the Survey Team has been keenly aware that there are severe limitations to the practicability of some courses of action which common sense or military efficiency would seem to indicate as providing good prospects of economy and reduction in costs. Obviously there are overriding political considerations which rule out a number of simple solutions. For example, it is

desirable and necessary to maintain a broad geographical basis for the Force, even though this undoubtedly complicates its structure and adds to its expense. Similarly, the different conditions under which Governments make contingents available both complicate the administration of the Force and inevitably give rise to greater costs than would a more standardized system which provided for yearly rotations and standard rates of overseas allowances throughout the Force."

[Survey of UNEF, 1965, document A/C.5/1049, paragraph 17.]

Such limitations also apply in the case of UNFICYP.

16. The effect of economy measures on UNFICYP's capacity to carry out its mandate must also be carefully considered. Obviously measures should not be recommended which would make it impossible for the Commander to carry out effectively the mandate of UNFICYP as laid down by the Security Council. As stated previously, UNFICYP has already been subjected to a number of over-all reductions in strength to the extent where some of its contingents are now of a size which increases considerably the normal ratio of administrative and Headquarters personnel to operational personnel, and it is doubtful whether further over-all reductions would be anything but counterproductive.

V

17. With the above considerations in mind, the survey team formulated a series of questions which were discussed at length with the Special Representative of the Secretary-General, the Force Commander and their staffs. The principal questions and summary answers to them were as follows:

- Q. Can the present contingents of the Force be further reduced while maintaining the over-all effective operational strength of the Force?
- A. It was agreed that it is not possible at the same time to effect a further reduction in the strengths of the present contingents and to maintain the present operational strength.
- Q. Can the deployment or method of employment of UNFICYP be changed to make better use of its effective strength in the present situation, e.g., by having more troops in mobile reserve and fewer static posts except in actual confrontation areas, or by increasing the task of UNCIVPOL, with the objective of making possible a reduction in the requisite operational strength of the Force?

- A. It was agreed that in the present situation no radical change in deployment is practicable, although the deployment of UNFICYP is by no means rigid, and a continuing effort is made to eliminate static posts whenever possible (see annex B). On the other hand, as long as areas of actual confrontation exist, some fixed posts and the static commitment of considerable numbers of United Nations troops is inevitable if quiet is to be maintained. As far as increasing the task of UNCIVPOL in confrontation areas is concerned, it was felt that it would not be wise to interpose unarmed police between the armed posts of the two communities. In any case, UNCIVPOL is fully committed to other essential tasks. None the less continued study is being made of possibilities to increase mobility and reduce static commitments.
- Q. Can the present organization of the Force be modified to get better results both operationally and financially?
- A. A force of roughly the same size containing a smaller number of contingents should be operationally more efficient and probably less expensive. Obviously such an approach involves some delicate political considerations. The cost to Governments providing contingents for UNFICYP varies widely, and this variation inevitably limits the possibilities of making economies in United Nations expenditure by making changes in the present set-up. The cost of the British contingent, for example, is entirely absorbed by that Government. Reductions in that contingent might therefore result in savings to the British Government but not to the United Nations. The charges to the United Nations for the remaining contingents vary considerably according to national laws and regulations, especially on the question of cost per man reimbursable by the United Nations. If reductions in cost are to be made by reducing the amount of costs reimbursable to Governments, there are two possibilities - either Governments whose contingents are "expensive" in relation to the other contingents should modify their scale of charges, or considerable reductions in the strength at any given time of the more "expensive" units might be considered, perhaps with some corresponding increases in the strength of some of the less expensive contingents. Further comments on these possibilities will be found in Sections VI and VII below.

Q. Can further economies be made in:

- (a) Headquarters UNFICYP?
- (b) Civilian international staff?
- (c) Civilian local staff?
- (d) Military and civilian vehicles?

A. Considerable reductions have been made in all of these four areas in past years. These establishments are, in any case, subjected to continuous scrutiny, and reductions are made wherever possible. In addition, posts are not filled if for some reason it is for the time being unnecessary to do so. It is the opinion of the survey team that further efforts along these lines might effect some relatively small economies. In this connexion it should be borne in mind that much of the work on UNFICYP done at United Nations Headquarters is performed by United Nations Headquarters is performed by United Nations permanent staff and is not a charge on the UNFICYP budget.

Q. Would it be practicable to rotate contingents every nine months or even once a year instead of every six months as at present?

A. Extensions of UNFICYP's mandate have hitherto been limited by the Security Council to periods of three or, at most, six months. Even if this were not so, and apart from the contractual and legal arrangements which, in some contingents, make it impossible to increase the six-months term of service, it is the unanimous view of the civilian and military authorities of UNFICYP that it would be unwise for other reasons to increase the six-months term of service and that the savings which would result would not be commensurate with the risks run. On the other hand, in certain contingents as many as 40 per cent of the strength of the contingent has been known to volunteer for a second tour of duty in Cyprus. In regular army contingents, however, this is not possible. In general, it is thought that a term longer than six months would create considerable morale problems and might have other undesirable consequences as well. It is worth mentioning that in UNEF after 1965 an arrangement was made by which, in the case of some contingents, the United Nations only paid for one rotation per year for each contingent.

Q. Can any significant reduction be made in supporting services?

A. The only area where a significant reduction might be made in supporting services is in the medical field. This would entail the elimination of the Austrian Field Hospital, which would result in a saving of about \$200,000 a year. There are, however, very strong arguments against this course of action. It is true that some alternative hospital and medical facilities are available in Cyprus, especially in the Sovereign Base Areas. On balance, however, it is felt that the Austrian Field Hospital should remain with UNFICYP for the following reasons.

- (i) This is an excellent unit which has served the Force admirably and is run in a most economical fashion.
- (ii) The Austrian Field Hospital is the only medical unit under the direct control of UNFICYP and in critical situations is therefore of especial value, particularly since it is possible that the other medical facilities in Cyprus might not be accessible to UNFICYP in certain circumstances. It is centrally sited from an operational point of view, and its personnel are specially trained in mobile support for UNFICYP contingents in emergency.
- (iii) From the point of view of morale, it is highly desirable that UNFICYP should have a field hospital of its own and under the operational control of the Force Commander.

Some further consideration of the question of medical facilities is contained in Section VII below.

Q. Is the proportion of administrative and Headquarters personnel to operational personnel excessive?

A. Due to the previous series of over-all reductions in contingent strength this proportion is undoubtedly high, although persistent efforts are made to keep it within reasonable bounds. There is little doubt, however, that it would be possible to reduce the proportion of administrative and Headquarters personnel if the Force consisted of a smaller number of larger operational contingents at any given time.

- Q. Is the proportion of officers to other ranks excessive?
- A. The proportion of officers to other ranks in some contingents of the Force appears high in relation to other contingents (see Annex A), although it should be realized that national practices and traditions vary considerably in this respect, and in some contingents non-commissioned warrant officers carry out some of the duties of officers. This tendency might be remedied to some extent by a decrease in the number of contingents composing the Force at any given time and an increase in the size of one or more of the remaining operational contingents.
- Q. Can any present UNFICYP functions be abolished or handed over to some other existing agency?
- A. The short answer is no. The non-military functions of UNFICYP, especially in the realm of police work and the work of the economic officers, derive directly from the part of its mandate relating to a return to normal conditions. This valuable work would appear to have contributed very greatly to the process of normalization which is one of UNFICYP's most striking achievements. These activities are one of the more productive innovations of UNFICYP as compared with other peace-keeping operations. The economic officers are a very small part of the establishment, and there seems to be no doubt that the present strength of UNCIVPOL is only just adequate to its task and should not be reduced. There are in any case no other agencies, United Nations or otherwise, to which these activities could at present be transferred.

VI

The UNFICYP Financial Situation and Arrangements for Financing the Force

18. Apart from its studies and discussions in Cyprus, the survey team examined the arrangements by which UNFICYP has hitherto been financed, in order to see whether there were means of improving the results of the voluntary system of financing. A brief survey of the arrangement for financing the Force is relevant to the findings of the survey team.

19. The basic provision relating to the financing of UNFICYP is set forth in Security Council resolution 186 (1964) which, in operative paragraph 6, states:

"Recommends that the stationing of the Force shall be for a period of three months, all costs pertaining to it being met, in a manner to be agreed upon by them, by the Governments providing the contingents and by the Government of Cyprus. The Secretary-General may also accept voluntary contributions for that purpose". The same provision has been incorporated by reference in each subsequent Security Council resolution extending the mandate of the Force.

20. The Secretary-General on 25 April 1964 issued Regulations for the United Nations Force in Cyprus (ST/SGB/UNFICYP 1) which, in Chapter IV, set forth the general administrative, executive and financial arrangements for the Force.

These arrangements are to be found in Annex C.

21. Pursuant to the provisions of paragraph 16, Chapter IV, of those regulations which reads in part: " ... He (the Secretary-General) shall be responsible for the negotiation and conclusion of agreements with Governments concerning the Force, the composition and size of the Force being established in consultation with the Governments of Cyprus, Greece, Turkey and the United Kingdom, and the manner of meeting all costs pertaining to the Force being agreed by the Governments providing contingents and by the Government of Cyprus", the Secretary-General has from time to time concluded such agreements with the Governments providing contingents.

22. It has been necessary at the request of most of the Governments concerned to modify from time to time the terms of the agreements relating to the costs for which they would seek reimbursement from the United Nations Special Account for UNFICYP, or, alternatively, absorb at their own expense. It should also be noted that the Secretary-General has no authority to borrow or use funds other than the voluntary contributions received to meet costs pertaining to the Force.

Voluntary Contributions Pledged or Paid

23. In accordance with the Security Council resolutions establishing the Force, or extending its mandate, the Secretary-General has in each instance requested all Member States and other States to make voluntary contributions to defray costs of the Force. As at 21 November 1969, pledges of such contributions from 48 member

States and 4 non-member States totalled \$102.0 million of which \$93.3 million have been paid. The pledges and payments made by each Government as at 21 November 1969 are shown in Annex E.

24. In addition to the amounts paid by Governments, voluntary contributions from public sources, interest earned from investment of temporarily undisbursed funds and other miscellaneous income in the Special Account totalled \$0.7 million for the period 27 March 1964 to 21 November 1969.

25. The total amounts requested by the Secretary-General by voluntary contributions from Governments were in each instance based on his estimate of the cumulative costs to the United Nations Special Account of UNFICYP (assuming the availability of funds) and the cumulative amounts paid or pledged by Governments, plus amounts received from other sources, from the inception of the Force to the end of each successive extension of its mandate.

26. In the light of the consistent failure to obtain payments or pledges in the amounts required for the UNFICYP Special Account to reimburse Governments providing contingents with the agreed costs to be reimbursed under the agreements to which reference is made in paragraph 21 above, the Secretary-General in reports to the Security Council has repeatedly called attention to the inadequate, inequitable and insecure method of financing the United Nations Peace-keeping Operation in Cyprus on the basis of voluntary contributions.

27. While 52 Governments have pledged voluntary contributions to the UNFICYP Special Account at one time or another since the inception of the Force to defray its expenses, only 23 Governments have made such pledges in connexion with the extensions of the mandate of the Force after June 1968, and only 10 of these Governments have made pledges in connexion with all three of the extensions since that date. Forty-four Governments have paid their pledges in full as at 21 November 1969.

28. As indicated in paragraph 25 above, the Secretary-General in estimating the amounts of voluntary contributions required for the maintenance of the Force, including the agreed reimbursements to Governments providing contingents, has assumed that all amounts pledged by Governments ultimately would be paid in full. It would now appear, however, that this may have been an overly optimistic assumption, and if so, the deficit between estimated costs and anticipated

receipts has been appreciably understated, possibly by as much as \$6 million, in the Secretary-General's recent reports on UNFICYP to the Security Council and in his appeals to Governments for voluntary contributions to the UNFICYP Special Account. Moreover, with reference to the expressed concern of the Secretary-General regarding the UNFICYP deficit, it should be recalled that reductions in the costs of UNFICYP to the Organization have not necessarily led to equivalent reductions in the deficit since the two major contributors have, on the occasion of recent reductions in UNFICYP strength and cost estimates, made proportionate reductions in their pledges to the UNFICYP Special Account.

Costs Absorbed by Governments And Not Claimed as Reimbursements

29. The cumulative amounts of extra and extraordinary costs which Governments providing contingents are estimated, on the basis of their reports to the Secretary-General, to have absorbed or will absorb at their own expense from 27 March 1964 to 15 December 1969 without claiming reimbursement from the Special Account total \$30.0 million. This total does not include the costs that the Government of Cyprus has absorbed at its own expense in giving effect to Article 19 of the Status of Force Agreement which provides that: "The Government shall provide without cost to the Force and in agreement with the Commander such areas for headquarters, camps, or other premises as may be necessary for the accommodation and the fulfilment of the functions of the Force. Without prejudice to the fact that all such premises remain the territory of Cyprus, they shall be inviolable and subject to the exclusive control and authority of the Commander, who alone may consent to the entry of officials to perform duties on such premises." It also does not include the value of the airlift services at the beginning of UNFICYP operations provided without charge by the Governments of Italy, the United Kingdom and the United States.

Estimated Costs of UNFICYP to the Organization

30. The Secretary-General, on the occasion of the establishment of UNFICYP and in his successive reports recommending an extension of the mandate of the Force, provided an estimate of the costs to the Special Account incurred or to be incurred. These estimates were in each instance based on the most recent

information available about actual costs incurred and the most reasonable estimates of costs to be incurred if the mandate of the Force was to be extended. In every case account was taken of the latest claims received from Governments in respect of the costs claimed for reimbursement for past services performed by their contingents in UNFICYP.

31. On occasion it transpired that the actual costs were higher or lower than the estimates, due to the fact that changes in the size or composition of the Force occurred which could not have been foreseen at the time when the estimates were prepared, or due to unforeseen modifications required after the estimates were made in the reimbursement agreements with Governments providing contingents, or as a result of the devaluation of currencies in which a part of the claims for reimbursement could be made.

32. The latest estimate of the costs to be met from the Special Account for the period from the inception of the Force to 15 December 1969 is \$110.8 million. This amount includes \$0.6 million for the repatriation of the Force and its liquidation, including the closing of its accounts, but does not include the extra costs absorbed by Governments which to date have not been claimed from the Special Account.

Analysis of Costs to the Special Account by Major Categories of Expense

33. The latest estimates of the costs to be met from the Special Account, assuming the availability of funds, for the period from the inception of the Force to 15 December 1969, are shown by major categories of expense in the table below.

Estimated Cost to the United Nations
by Major Categories of Expense for the
Period 27 March 1964 to 15 Dec. 1969
(Expressed in Thousands of US Dollars)

<u>I. Operation costs incurred by the United Nations</u>	
Movement of contingents	3,489
Operational expenses	9,477
Rental of premises	1,467
Rations	6,857
Non-Military personnel, salaries, travel, etc.	5,755
Miscellaneous	<u>77</u>
Total, Part I	27,122
<u>II. Reimbursements of extra costs to Governments providing contingents</u>	
Pay and allowances	73,445
Contingent-owned equipment	8,518
Death and disability awards	<u>850</u>
Total, Part II	82,813
Total, Parts I and II	109,935
<u>III. Contingency provision</u>	275
<u>IV. Repatriation and liquidation costs</u>	<u>590</u>
Total, Parts I, II, III and IV	<u>110,800</u>

34. It will be apparent that the reimbursements to Governments providing contingents to the Force for their extra and extraordinary costs, shown in Section II of the above table, constitute the major part of the total costs. Certain additional reimbursements to the same Governments are included under operational costs shown under Section I in the above table. It is now estimated that 77 per cent of the total costs of UNFICYP to the Organization are reimbursements to Governments in respect of their contingents.

35. Another large part of the costs shown under Part I in the above table (13 per cent) represents payments made or to be made by UNFICYP to the Government of the United Kingdom for logistical support furnished to contingents other than its own in the Force. While UNFICYP can and does exercise control over the types and quantities of goods and services requisitioned from United Kingdom sources, it is not in a position to exercise control over the prices it pays for them. In large part this arises from the fact that the successive mandates of the Force have been limited to periods of three to six months which precludes the possibility of making longer-term arrangements which might have proved less expensive than relying almost entirely on the procurement of goods and services available from local sources in Cyprus, including the logistic support provided by the United Kingdom. For example, had it been possible to operate on the basis that the mandate of the Force would extend over several years, it might well have been less costly for UNFICYP to purchase its own vehicles rather than hire them from the United Kingdom or from private contractors in Cyprus. Similarly, rations might have been obtained on the basis of international competitive bids at possible savings, but the inability to plan for more than three or six months ahead, and to commit funds for goods or services which could not be made available for use within that period, precluded this possibility.

36. The balance of the costs (10 per cent) includes certain expenses such as costs of rotation where contracts are made on the basis of competitive bidding and where the costs could not be reduced unless the number of rotating troops were to be reduced.

Government Claims for Reimbursement of Extra Costs

37. The following table shows the total amounts claimed or which it is estimated will be claimed by each Government in respect of their extra costs for the period from the inception of the Force to 15 December 1969.

Reimbursements of Extra Costs Claimed or to be
Claimed by Governments Providing Contingents
and/or Police Units to the Force, for the period
27 March 1964 to 15 December 1969

(Expressed in thousands of US dollars)

Austria	2,545
Canada	2,736
Denmark	27,135
Finland	18,417
Ireland	6,582
Sweden	25,894
Undistributed (death and disability awards, etc.)	<u>714</u>
	84,023

38. The Governments of Australia, New Zealand and the United Kingdom have not claimed reimbursement of their extra costs.

39. The average man-month cost to UNFICYP in respect of pay and allowances, which constitute the single most important item of expense, are estimated as follows:

Pay and Allowances of Contingents
Estimated Man-Month Rates
(Expressed in United States dollars)

<u>Country</u>	<u>Average per man-month related to service in Cyprus</u>	<u>On basis of claims covering period</u>
Austria - Medical Contingent	326	January-December 1968
Austria - Police Unit	363	January-June 1969
Canada	74	January-June 1968
Denmark - Military Contingent	575	November 1968-April 1969
Denmark - Police Unit	373	November 1966-March 1969
Finland	334	October 1968-March 1969
Ireland	144	October 1968-March 1969
Sweden - Military Contingent	518	January-December 1968
Sweden - Police Unit	199	January-December 1968

40. The amounts claimed by Governments is reimbursement of extra costs relating to the pay and allowances of members of their contingents or police units show that the contingents and units provided by the three Nordic countries are more expensive in connexion with the above item than those of other countries providing men to the Force. The relatively high cost to UNFICYP of the Nordic contingents is explained by the fact that since the Nordic contingents are comprised of members of the armed forces reserves of their Governments who have been recruited from civilian pursuits to serve in UNFICYP, all the pay and allowances of the men represent extra and extraordinary costs to the Government. This is not the case for the Canadian and Irish contingents which are part of their nations' regular armed forces. Two Governments, the United Kingdom and Australia, have agreed not to make any claims against UNFICYP in respect of their costs. The New Zealand Government, which provided a police unit from May 1964 to June 1967, also made no claim for reimbursement of its costs.

41. While it might appear possible appreciably to reduce the costs of the Force without reducing its over-all strength by decreasing the size of the more expensive and increasing correspondingly the size of the less expensive contingents and units, there may be political and practical difficulties in effecting such cost reductions. Not the least of these could be the difficulty of getting certain Governments to increase the size of their contingents when it has been impossible, because of lack of UNFICYP funds, to reimburse them for the costs they have incurred since June 1968 or earlier in respect of their present contingents.

Reimbursements of Extra Costs Made to Governments

42. The following table shows the payments made to Governments and the estimated balances due to them in respect of the claims for reimbursement of extra costs which they have submitted to the Secretary-General, or which it is expected they will submit, for the period from the inception of the Force to 15 December 1969.

Reimbursement to Governments in respect of Pay and Allowances,
Equipment/Materials/Supplies, Death and Disability Awards, and
other costs of Contingents, incurred or to be incurred from
the inception of the operation on 27 March 1964 through
15 December 1969
21 November 1969

(Expressed in thousands of U.S. dollars)

	Estimated amounts due to Governments		Payments made ^{1/}		Estimated balance due Governments		
	Claims received	Estimated claims due	Total	Amount	Of unpaid claims	Of estimated claims due	Total
Austria	2,208	337	2,545	1,876	332	337	669
Canada	1,861	875	2,736	1,861	-	875	875
Denmark	24,638	2,497	27,135	20,939	3,819	2,377	6,196
Finland	16,876	1,541	18,417	15,061	1,865	1,491	3,356
Ireland	5,913	669	6,582	5,175	738	669	1,407
Sweden	22,883	3,011	25,894	21,424	1,819	2,651	4,470
Sub-Total . . .	74,379	8,930	83,309	66,336	8,573	8,400	16,973
Undistributed Death and Disability Awards	-	714	714	-	-	714	714
Totals	74,379	9,644	84,023	66,336	8,573	9,114	17,687

^{1/} Includes certain amounts of voluntary contributions pledged by Governments and payable by means of offset against their reimbursement claims.

Unpaid Claims and Available Cash Balance

43. As at 21 November 1969, there was an unpaid balance of \$8.6 million in respect of claims already received, and further claims are expected in the amount of \$9.1 million, bringing the estimated total of amounts due to Governments to \$17.7 million. At the same date the total cash assets in the UNFICYP Special Account were only \$3.2 million, of which it is estimated \$1.1 million will be required to meet unpaid past operational expenses and the day-to-day operating costs of the Force requiring cash outlays to the end of the current mandate, plus a reserve to cover the costs of repatriation and the liquidation of the Force in the event the mandate were not once again extended. The balance not required for costs mentioned above would in that event total \$2.1 million. To the above cash balance of \$2.1 million may be added an additional \$1.9 million representing future cash payments to the UNFICYP Special Account which seem assured on the basis of recorded pledges. The payment of the total \$4.0 million to Governments would, however, only permit payment of their reimbursement claims through September 1968.

44. In the above no account has been taken of the possible future payment to the UNFICYP Special Account of \$6.0 million of pledges the payment of which would appear to be dependent on contributions of other Governments.

VII

Suggestions

45. After considering the various aspects of UNFICYP's financial situation set out above, the survey team has attempted to indicate possible courses of action which might over a period of time result in significant reductions in the cost of UNFICYP to the Organization. It has done so in the full realization that most of these ideas involve political or other problems and will in many instances require the consent of the Governments concerned. The team has tried to present, in these suggestions, a series of options some of which at least might suggest to the Secretary-General, the Governments providing contingents and the contributing Governments, ways of meeting the

concern for a reduction of costs and for a more equitable distribution of the financial burden. The possibilities fall under four main headings: Reorganization; Changes in deployment and operating method of UNFICYP; Financial and related measures designed to improve the over-all UNFICYP and financial situation; and Study of logistic costs and day-to-day control of logistic requirements. Suggestions under these four headings are made below.

Reorganization

46. A number of factors, including operating efficiency and economy, point to a partial reorganization of the Force under which the Danish, Finnish and Swedish Governments would take it in turn to provide a battalion of approximately 800 all ranks. The other contingents of the Force would remain approximately the same as they are at present. This change, if acceptable, would replace three small battalions with a single large one, which would be operationally more efficient and would provide a more satisfactory ratio both between Headquarters and operational personnel and between officers and other ranks than is the case in the three contingents which at the present time have the highest officer/other rank ratio. The nationality basis for the Force would remain the same in this reorganization since at all times all the present nationalities would be represented at the Force Headquarters, and in the case of two out of the three countries concerned, namely, Denmark and Sweden, the civilian police contingents would remain as at present. If, however, the Commander of the Force found that this reduction resulted in an inadequate number of operational personnel, the Canadian and Irish Governments might be asked to increase slightly the size of their respective battalions.

47. Apart from operational and administrative advantages, the reduction in cost to the Organization which may be expected from this arrangement over a period of six months can be estimated at \$2.3 million, \$1.4 million, or \$1.1 million, depending on whether Finland, Sweden or Denmark was providing the Nordic contingent during the period in question. Over an eighteen-month period the reduction in cost would total \$4.8 million, and the average reduction in cost for six months would be \$1.6 million.

48. A variant of the above arrangement would be a Nordic contingent of approximately 800 men provided by Finland, which has no civilian police contingent with UNFICYP, alternating tours of duty of six months with a Nordic contingent of the same size made up of two battalions of 400 men each from Denmark and Sweden respectively, which is approximately their present strength. The reduction in cost which may be expected from such an arrangement over a period of six months can be estimated at \$2.3 million if Finland provided the contingent or \$1.2 million if the contingent were provided by Denmark and Sweden. Over a twelve-month period the reduction in cost would total \$3.5 million, and the average reduction in cost for six months would be \$1.75 million.

49. Under the arrangement outlined in paragraph 46 above, the cumulative reduction in cost at the end of the first eighteen-month period of its implementation, or at the end of any one or more eighteen-month periods thereafter, would be the same no matter which country had provided the initial Nordic contingent, which country the second, which country the third, and the resulting rotation sequence thereafter. However, at the end of any period not coinciding with the eighteen-month cycle indicated above, the cumulative reductions in cost would depend on which country had provided the Nordic contingent initially and for periods thereafter and would be greatest for the period in question if the initial contingent had been provided by Finland, the second by Sweden, the third by Denmark, and rotations thereafter had followed that order.

50. In the case of the arrangement outlined in paragraph 48 above, the cumulative reduction in cost at the end of the first twelve-month period of its implementation, or at the end of any one or more twelve-month periods thereafter, would be the same no matter which country or countries had provided the initial Nordic contingent and which the second, and the resulting rotation sequence thereafter. However, at the end of any period not coinciding with the twelve-month cycle indicated above, the cumulative reductions in cost would depend on which country or countries had provided the Nordic contingent initially and for periods thereafter and would be greatest for the period in question if the initial contingent had been provided by Finland and the second by Denmark and Sweden together, and rotations thereafter had followed that order.

51. It would be, therefore, clearly advantageous to have under the above arrangements Finland providing the initial Nordic contingent followed by Sweden and then Denmark, or by Sweden and Denmark combined, since it cannot be known for how long UNFICYP might continue in operation after 15 December 1969.

52. The elimination of the Austrian Field Hospital would be undesirable in the opinion both of the survey team and of the Commander of the Force, who considers it necessary, particularly for morale purposes, that the Force have its own field hospital facilities. However, in view of the limited number of cases of injuries or illness sustained by members of the Force and requiring hospital treatment during 1969, the survey team examined the cost reductions which might be realized if it were found possible to eliminate the Austrian Field Hospital unit from the Force, and rely instead on the hospital facilities in the British Sovereign Bases, the Cyprus Mining Corporation or other private hospitals in Cyprus.

53. During the first eight months of 1969, there were 341 military personnel in the Force admitted to the Austrian Field Hospital and 123 admitted to British hospitals in the Sovereign Base Areas. The total patient-days spent in the Austrian Field Hospital during the same eight-month period were approximately 4,660. The cost to UNFICYP of maintaining the Austrian Field Hospital unit is estimated to be about \$375,000 on an annual basis, or \$250,000 for an eight-month period. On the basis of the above figures, it may be seen that the cost per patient-day was approximately \$54. This may be compared to the cost of \$24 per patient-day charged by the British to UNFICYP for Force members, other than those of the United Kingdom contingent, admitted to the base hospitals. The cost per patient per day at the best private clinics in Nicosia or at the hospital maintained by the Cyprus Mining Corporation does not exceed the amount which is charged by the two hospitals of the British Sovereign Bases. It would appear that had the Austrian Field Hospital been eliminated from the Force at the beginning of 1969, the savings to UNFICYP over the first eight months of 1969 would have been in the neighbourhood of \$138,000 or approximately \$17,000 per month.

54. The survey team does not believe, for the reasons given in paragraph 17 above, that the Austrian Field Hospital should be eliminated, but the question of medical facilities might be studied further with a view to some reduction in costs.

Changes in Deployment and Operating Method

55. In conjunction with the possible reorganization outlined in paragraphs 46-48 above, the survey team suggests a further study by the Force Commander of possibilities for a change in the deployment of the Force, whereby it would concentrate its buffer activities in the most sensitive confrontation areas only and keep a strong reserve with good mobility and communications, which could be brought into any trouble spot at very short notice. This more flexible type of deployment should facilitate reductions in the strength of UNFICYP if the situation in Cyprus should basically improve. In this redeployment UNFICYP might also conform its contingents' areas of responsibility to the administrative boundaries of the Republic of Cyprus both to simplify liaison with the various authorities in Cyprus and in order to facilitate - if and whenever that may prove possible - a transfer from the present type of UNFICYP mission to a Military Observer/UNCIVPOL type mission. It should be noted that a Military Observer mission would be of an entirely different order of magnitude from a peace-keeping force, in which whole military contingents are included with Headquarters, supporting units, etc.

Financial and Related Measures Designed to Improve the Over-all UNFICYP Financial Situation

56. It is, of course, obvious that the unsatisfactory financial situation in the UNFICYP Special Account would be substantially improved if a larger number of member Governments made pledges and payments to finance the expenses of the Force. As can be seen from paragraph 27 and Annex E, 78 Member States have never made a pledge or payment to the Special Account, and 29 Governments which have made a pledge or payment at some time since the inception of the Force have failed to make any pledge to cover its expenses after June 1968.

57. The financial situation would also improve if there were prompt payments by Governments of their pledges in full to the UNFICYP Special Account, and if it were possible to eliminate or at least minimize the adverse effect of the condition that is attached to the United States pledge, which would appear to make payment thereof dependent on the contributions of other Governments. It is this condition, the possible effect of which could not be ascertained by the Secretariat before June 1969, which now calls into question the ultimate payment of as much as \$6 million of the \$102 million total of pledges shown in the table in Annex D.

58. As the Secretary-General has pointed out frequently in the past, the main burden of supporting UNFICYP falls, under the system of voluntary contributions, on a relatively small number of States. With a view to distributing this burden more evenly, the Secretary-General might consider approaching again a number of Member States, including some members of the Security Council and the countries most closely concerned with the Cyprus problem, with a view to securing from them contributions or increases in their former contributions to UNFICYP.

Recommendation for further study of logistic costs and day-to-day control of logistic requirements

59. While the survey team was favourably impressed with the effective, and apparently efficient operation of the United Nations Force in Cyprus, it was not possible in its brief visit to Cyprus thoroughly to analyse whether savings, over and beyond those already in train, might be achieved by adoption of revised procedures and controls in connexion with the day-to-day operating expenses of the Force. It is, therefore, the opinion of the survey team that it might be useful, if the mandate of the Force is again extended by the Security Council, for the UNFICYP Administration with the help of Headquarters personnel to look further into these possibilities, including in particular (1) the allocation and control of vehicles and their utilization, (2) the allocation and utilization of locally employed labour, and (3) the standards established and controls exercised over the distribution of rations for the various contingents.

60. For the reasons given in paragraph 35 above, the renewal of the UNFICYP mandate for a maximum of only six months precludes certain long-term administrative and logistical measures which might result in considerable savings. The survey team is aware that there are political reasons for this practice which may well override considerations of economy and administrative efficiency.

ANNEX A

The United Nations Peace-keeping Force in Cyprus

I. COMPOSITION

On 13 September 1969, the composition of the Force was as follows:

A. Military:

<u>Contingent</u>	<u>Unit</u>	<u>Strength</u>		<u>Total</u>
		<u>Officers</u>	<u>Other ranks</u>	
<u>Austrian</u>	1. Hq. UNFICYP	2		2
	2. Field Hospital	11	43	54
	Total	13	43	56
<u>Canadian</u>	1. Hq. UNFICYP	5	25	30
	2. Hq. CANCON	13	52	65
	3. Battalion	28	430	458
	4. UNFICYP MP COY.	2	14	16
	Total	48	521	569
<u>Danish</u>	1. Hq. UNFICYP	4	3	7
	2. Battalion	49	392	441
	3. UNFICYP MP COY.	1	9	10
	Total	54	404	458
<u>Finnish</u>	1. Hq. UNFICYP	4	1	5
	2. Battalion	48	416	464
	3. UNFICYP MP COY.		7	7
	Total	52	424	476
<u>Irish</u>	1. Hq. UNFICYP	5	2	7
	2. Hq. IRCON	1	2	3
	3. Inf. Group	38	367	405
	4. UNFICYP MP COY.		4	4
	Total	44	375	419

/...

<u>Contingent</u>	<u>Unit</u>	<u>Strength</u>		<u>Total</u>
		<u>Officers</u>	<u>Other ranks</u>	
<u>Swedish</u>	1. Hq. UNFICYP	5	1	6
	2. Battalion	42	358	400
	3. UNFICYP MP COY.		5	5
	Total	47	364	411
<u>United Kingdom</u>	1. Hq. UNFICYP	15	115	130
	2. Hq. BRITCON	2	2	4
	3. Battalion	34	590	624
	4. Recce Sqn.	6	123	129
	5. UNFICYP Tpt. Sqn.	4	93	97
	6. UNFICYP ord. Det.	1	14	15
	7. UNFICYP Wkshps.	1	43	44
	8. UNFICYP Flt. AAC	4	14	18
	9. Det. RAF Heli. Sqn.	3	17	20
	10. UNFICYP MP COY.		8	8
	Total	70	1,019	1,089
<u>Total Military</u>		328	3,150	3,478

B. Civilian Police:

<u>Country</u>	<u>Strength</u>
Australia	49
Austria	45
Denmark	40
Sweden	<u>40</u>
Total	174

TOTALS:

Total Military	3,478
Total CIVPOL	<u>174</u>
Grand Total	<u>3,652</u>

The strength of the Force on 13 September 1969 shows a reduction of only 3 men (2 Military and 1 CIVPOL) as compared with the figures appearing in the Secretary-General's Report of 3 June 1969 (S/9233).

ANNEX B

Static Posts

In June 1968 there were 155 static posts.

The biggest reduction in the number of such posts took place between June 1968 and December 1968, when general decrease in tension permitted UNFICYP's command to withdraw 70 posts, leaving a total of 85 manned posts. Nevertheless, additional mobile and foot patrols had to be increased and some tasks shifted from military units to UNCIVPOL to carry out work deemed essential due to the reduction in the number of static posts. During the same period the strength of the Force was reduced from 4,629 to 3,708.

Between December 1968 and June 1969, 13 additional posts were removed, mainly in the Nicosia area, leaving 72 manned posts.

Between June 1969 and September 1969, there was a further small reduction of manned posts from 72 to 68.

The situation as of September 1969 was as follows:

	<u>Manned</u>	<u>Unmanned</u>
Canadian Contingent	7	2
Danish Contingent	13	16
Finnish Contingent	14	9
Irish Contingent	9	3
Swedish Contingent	9	3
United Kingdom Contingent	<u>16</u>	<u>3</u>
Total	68	36

ANNEX C

Extracts from the Regulations for the United Nations Force
in Cyprus (ST/SGE/UNFICYP/1)

CHAPTER IV. General Administrative, Executive and
Financial Arrangements

16. Authority of the Secretary-General. The Secretary-General of the United Nations shall have authority for all administrative and executive matters affecting the Force and for all financial matters pertaining to the receipt, custody and disbursement of voluntary contributions in cash or in kind for the maintenance and operation of the Force. He shall be responsible for the negotiation and conclusion of agreements with Governments concerning the Force, the composition and size of the Force being established in consultation with the Governments of Cyprus, Greece, Turkey and the United Kingdom, and the manner of meeting all costs pertaining to the Force being agreed by the Governments providing contingents and by the Government of Cyprus. Within the limits of available voluntary contributions he shall make provisions for the settlement of any claims arising with respect to the Force that are not settled by the Governments providing contingents or the Government of Cyprus. The Secretary-General shall establish a Special Account for the United Nations Force in Cyprus to which will be credited all voluntary cash contributions for the establishment, operation and maintenance of the Force and against which all payments by the United Nations for the Force shall be charged. The United Nations financial responsibility for the provision of facilities, supplies and auxiliary services for the Force shall be limited to the amount of voluntary contributions received in cash or in kind.
17. Operation of the Force. The Commander shall be responsible for the operation of the Force and, subject to the limitation in Regulation 16, for arrangements for the provision of facilities, supplies and auxiliary services. In the exercise of this authority he shall act in consultation with the Secretary-General and in accordance with the administrative and financial principles set forth in Regulations 18-23 following.

18. Headquarters. The Commander shall establish the Headquarters for the Force and such other operational centres and liaison offices as may be found necessary.

19. Finance and accounting. Financial administration of the Force shall be limited to the voluntary contributions in cash or in kind made available to the United Nations and shall be in accordance with the Financial Rules and Regulations of the United Nations and the procedures prescribed by the Secretary-General.

20. Personnel.

(a) The Commander of the Force shall be appointed by the Secretary-General. The Commander shall be entitled to diplomatic privileges, immunities and facilities in accordance with sections 19 and 27 of the Convention of the Privileges and Immunities of the United Nations. The Commander may appoint to his Headquarters staff, officers made available by the Participating States and such other officers as may be recruited in agreement with the Secretary-General. Such officers on his Headquarters staff and such other senior field officers as he may designate shall be entitled to the privileges and immunities of article VI of the Convention on the Privileges and Immunities of the United Nations.

(b) The Commander shall arrange with the Secretary-General for such international recruitment or detailment of staff from the United Nations Secretariat or from the specialized agencies to serve with the Force as may be necessary. Unless otherwise specified in the terms of their contracts such personnel are staff members of the United Nations, subject to the Staff Regulations thereof and entitled to the privileges and immunities of United Nations officials under articles V and VII of the Convention on the Privileges and Immunities of the United Nations.

(c) The Commander may recruit such local personnel as the Force requires. The terms and conditions of employment for locally recruited personnel shall be prescribed by the Commander and shall generally, to the extent practicable, follow the practice prevailing in the locality. They shall not be subject to or entitled to the benefits of the Staff Regulations of the United Nations, but shall be entitled to immunity from legal process in respect of words spoken or

written and all acts performed by them in their official capacity as provided in section 18 (a) of the Convention on the Privileges and Immunities of the United Nations and shall be exempt from taxes on their salaries and emoluments received from the Force and from national service obligations as provided in section 18 (b) and (c) of the said Convention. Disputes concerning the terms of employment and conditions of service of locally recruited personnel shall be settled by administrative procedure to be established by the Commander.

21. Administration. The Commander with his civilian administrative staff shall, in accordance with procedures prescribed by him within the limits of Regulation 16, and in consultation with the Secretary-General, arrange for:

(a) the billeting and provision of food for any personnel attached to the Force for whom their own Government has not made provision;

(b) the establishment, maintenance and operation of service institutes providing amenities for members of the Force and other United Nations personnel as authorized by the Commander;

(c) the transportation of personnel and equipment;

(d) the procurement, storage and issuance of supplies and equipment required by the Force which are not directly provided by the Participating Governments;

(e) maintenance and other services required for the operation of the Force;

(f) the establishment, operation and maintenance of telecommunication and postal service for the Force;

(g) the provision of medical, dental and sanitary services for personnel in the Force.

22. Contracts. The Commander shall, within the limits of Regulation 16, enter into contracts and make commitments for the purpose of carrying out his functions under these Regulations.

23. Public information. Public information activities of the Force and relations of the Force with the Press and other information media shall be the responsibility of the Commander acting in accordance with policy defined by the Secretary-General.

ANNEX D

PLEDGES AND PAYMENTS TO THE UNFICYP SPECIAL ACCOUNT
FOR THE PERIOD 27 MARCH 1964-15 DECEMBER 1969 AS AT
21 NOVEMBER 1969

(In US dollar equivalents)

<u>Government</u>	<u>Total Pledges</u>	<u>Payments Received</u>
Australia	1,269,875	1,269,875
Austria	840,000	760,000
Belgium	1,433,203	1,433,203
Botswana	500	500
Cambodia	600	600
Congo, Democratic Republic of	20,000	10,000
Cyprus	582,600	582,600
Denmark	1,485,000	1,485,000 ^{1/}
Finland	425,000	425,000 ^{1/}
Germany, Federal Republic of	8,000,000	8,000,000
Ghana	11,667	11,667
Greece	8,050,000	8,050,000
Iceland	6,000	6,000
Iran	18,000	18,000
Ireland	50,000	50,000
Israel	26,500	26,500
Italy	2,561,738	1,661,738
Ivory Coast	60,000	60,000
Jamaica	13,800	13,800
Japan	590,000	590,000
Korea, Republic of	16,000	16,000
Laos	1,500	1,500
Lebanon	1,297	1,297
Liberia	6,385	4,885
Libya	30,000	30,000
Luxembourg	45,000	45,000
Malawi	5,590	5,590
Malaysia	7,500	7,500
Malta	1,820	1,820
Mauritania	2,041	2,041

<u>Government</u>	<u>Total Pledges</u>	<u>Payments Received</u>
Morocco	20,000	20,000
Nepal	400	-
Netherlands	921,000	921,000
New Zealand	42,000	42,000
Niger	2,041	2,041
Nigeria	10,800	10,800
Norway	1,374,954	1,374,954
Pakistan	8,800	8,800
Philippines	2,000	2,000
Sierra Leone	11,900	11,900
Singapore	3,000	3,000 ^{1/}
Sweden	2,260,000	2,260,000 ^{1/}
Switzerland	1,295,000	1,295,000
Thailand	2,500	-
Trinidad and Tobago	2,400	2,400
Turkey	1,839,253	1,839,253
United Kingdom	22,470,476	20,777,206 ^{1/}
United Republic of Tanzania	7,000	7,000
United States	46,100,000 ^{2/}	40,100,000
Venezuela	3,000	3,000
Viet-Nam, Republic of	4,000	4,000
Zambia	28,000	28,000
	<u>101,970,140</u>	<u>93,282,470</u>

^{1/} Payment has been made or will be made in whole or in part by means of an offset against Government's claims for reimbursement of its costs.

^{2/} Maximum amount pledged. The ultimate contribution will be dependent on contributions of other Governments.

