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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF  
THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Review of the rates of reimbursement to the Governments of  
troop-contributing States

Report of the Secretary-General

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## I. INTRODUCTION

1. The General Assembly, in section III, paragraph 2, of its resolution 47/218 of 23 December 1992, took note of the report of the Secretary-General on the review of the rates of reimbursement to the Governments of troop-contributing States (A/47/776), and requested the Secretary-General to keep the matter under review and to report thereon to the General Assembly at its forty-eighth session. The present report is submitted in accordance with that request.

2. In section III, paragraph 3, of the same resolution, the General Assembly encouraged those Member States which had not yet responded to the questionnaire sent out by the Secretary-General requesting information on military salary scales in effect as at December 1991 to do so as rapidly as possible.

3. It is recalled that, in response to General Assembly resolution 42/224 of 21 December 1987, in which the Secretary-General was requested to report at least once every two years on the rates of reimbursement to the Governments of troop-contributing States, the Secretary-General submitted a report to the General Assembly at its forty-seventh session (A/47/776). In that report, it was indicated that the format of the questionnaire for 1991 had been revised to identify the separate cost elements of troop costs and that verification of certain of the data received was still pending. Moreover, only 35 per cent of the Member States surveyed responded in 1992. As a result, a clear-cut conclusion could not be drawn at that time.

4. Standard rates of reimbursement were initially established in a decision adopted by the General Assembly on 29 November 1974, at its twenty-ninth session (see A/PV.2303). These standard rates fixed, on the basis of equality of treatment, the level of reimbursement to be made to Governments of troop-contributing States for the costs incurred by them in providing troops for service in the United Nations peace-keeping forces. The rates of reimbursement, which became effective on 25 October 1973, were reviewed by the General Assembly in 1977, 1980, 1985, 1987 and 1989. A review of the background and development of reimbursement to Member States contributing troops to peace-keeping operations was provided in document A/44/605/Add.1 of 12 October 1989.

5. The standard rates of reimbursement for troop costs were revised by the General Assembly in 1977, 1980 and 1991. The evolution of the standard rates of reimbursement is shown in the table below:

Standard rates of reimbursement

(per person per month)

(United States dollars)

	<u>Effective date</u>			
	<u>October 1973</u>	<u>October 1977</u>	<u>December 1980</u>	<u>July 1991</u>
Pay and allowances, all ranks	500	680	950	988
Supplementary payment for specialists (25 per cent of logistics contingents and 10 per cent of other contingents)	150	200	280	291
Usage factor for personal clothing, gear and equipment, all ranks	-	65	65	65
Personal weaponry (including ammunition), all ranks	-	5	5	5

6. The rate of \$65 per person per month for personal clothing, gear and equipment issued by the Government to their troops and the additional rate of \$5 per person per month for personal weaponry, including ammunition, became applicable in accordance with a decision taken by the General Assembly at its 2440th meeting, on 15 December 1975 (see A/PV.2440). The rates have remained in effect since then.

7. The latest revision to the standard rates of reimbursement was in accordance with paragraph 6 of General Assembly resolution 45/258 of 3 May 1991, whereby the Assembly decided to increase the rates of reimbursement by 4 per cent beginning 1 July 1991.

8. The rates became applicable to three United Nations peace-keeping operations on 1 July 1991, namely, the United Nations Disengagement Observer Force (UNDOF), the United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Iraq-Kuwait Observer Mission (UNIKOM). The rates have since been applied to those newly established United Nations peace-keeping operations with troop components, namely, the United Nations Mission for the Referendum in Western Sahara (MINURSO), the United Nations Advance Mission in Cambodia (UNAMIC), the United Nations Transitional Authority in Cambodia (UNTAC), the United Nations Protection Force (UNPROFOR), the United Nations Operation in Somalia (UNOSOM), the United Nations Operation in Mozambique (ONUMOZ) and the United Nations Mission in Rwanda (UNAMIR). Although the United Nations Peace-keeping Force in Cyprus (UNFICYP) has been in existence since 4 March 1964, the standard rates of reimbursement did not become applicable until 16 June 1993. The General Assembly, by its resolution 47/236 of 14 September 1993, decided that the costs of UNFICYP for the period beginning 16 June 1993 that were not covered by voluntary contributions should be treated as expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations.

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## II. CONSIDERATIONS

9. The introduction of standard rates of reimbursement established the amounts payable, on an equal basis, to Governments for their troops, which serve side-by-side in the peace-keeping operations. In the initial study of the matter, on the basis of which the standard rates of reimbursement were established in 1973, the following three points were considered:

(a) Troops serving side-by-side should be reimbursed on the same basis for identical services;

(b) No Government should receive a higher reimbursement than its actual cost, that is, no Member State should "profit" from its participation in the operation;

(c) Some Governments would not be fully reimbursed based on any standard cost-reimbursement formula, but should receive at least that which was paid as actual overseas allowance.

10. The five prior reviews of the rates of reimbursement that have been undertaken since their establishment have indicated that there are wide variations in troop costs among the Governments providing troops to the peace-keeping operations. Therefore, the current standard rates of reimbursement do not fully compensate all Governments for their troop costs. That portion of the costs which is not compensated for by the standard rates of reimbursement is therefore absorbed by the respective troop-contributing States. This amount is expressed as a percentage of the total cost incurred by each Government for providing troops and is referred to as the absorption factor.

11. The collection and compilation of comparable data relating to troop costs started in 1980. During that year, the cost to the troop-contributing States for pay and allowances for troops, when compared with the reimbursements made by the United Nations, showed that the overall average absorption factor among the troop-contributing States was 45.9 per cent. The 1985 review showed a decrease in the absorption factor to 34.3 per cent, while the 1987 review indicated that the overall average absorption factor had increased to 46.3 per cent. The last review undertaken in 1989 showed that the overall average absorption factor had decreased to 23.3 per cent. The overall absorption factors vary according to the combination of troop contributors which were surveyed at a particular year. The average absorption factor resulting from the review in 1989 was significantly lower owing to the cost reported by one troop contributor. If consideration were given to the elimination of the highest and lowest absorption factors for each reviewed year, the resulting averages would be 46.3 per cent for 1980, 38.2 per cent for 1985, 52.5 per cent for 1987, 49.3 per cent for 1989 and 43.1 per cent for 1991.

## III. TROOP COSTS

12. For the purpose of the present review of the rates of reimbursement, cost information based on military salary scales in effect as of December 1991 was requested from 57 Member States, of which 17 were providing troops to United

Nations peace-keeping operations and the remaining 40 were providing military observers only. It should be noted that 16 of the 17 States providing troops were also providing military observers. A copy of the questionnaire that was sent to all States contributing military personnel is provided in annex VI.

13. Utilization of material provided by Member States is intended for statistical purposes only and does not reflect any position taken by the Secretariat of the United Nations concerning the validity of the cost data.

14. Of the 57 Member States surveyed, 20 replies were received in 1992 and 6 were received in 1993. The analysis presented in the earlier report of the Secretary-General (A/47/776) was on the basis of cost information provided by 20 Member States. The analysis shown in the present report incorporates the cost information provided by the additional six Member States that responded in 1993.

15. Of the 26 Member States that replied, 15 were providing troops to the United Nations peace-keeping operations in December 1991. Of the remaining 11 States, which were providing military observers only, one did not reply to the questionnaire.

16. In accordance with instructions contained in the questionnaire, cost data provided by the 25 Member States were presented in their national currencies. Cost data were converted from their respective national currencies into United States dollars based on United Nations operational rates of exchange in effect as at December 1991. Accordingly, cost data contained in annexes II, III and V to the present report are presented in United States dollars.

17. Annex I lists the 57 States contributing military personnel to United Nations peace-keeping operations as at 1 December 1991. The annex also indicates the 13 States that had been surveyed in 1989.

18. The results of the analysis of the cost information provided by the 15 troop-contributing States referred to in paragraph 14 above are set out in annexes II and III to the present report.

19. Annex II, column (1), lists, in ascending order of magnitude, the average cost per person per month to the troop contributors in respect of pay and allowances of troops. Column (2) shows the corresponding overseas allowance that is included in the data shown in column (1). Column (3) shows the United Nations reimbursement in respect of pay and allowances of troops comparable with column (1). Column (4) indicates the corresponding absorption factor, expressed as a percentage, that is, the portion of cost not reimbursed to Governments. From the distribution, it may be noted that the reported average cost for pay and allowances of troops in December 1991 ranged between \$412 and \$9,845 per person per month, with an overall average of \$3,611 and a median of \$3,560. The comparable overall average cost from the 1989 survey was \$2,297 and the median cost was \$2,356.

20. Annex III provides a distribution, in ascending order, of the average cost per person per month of the usage factor for personal clothing, gear and equipment, and personal weaponry (including ammunition) issued by the troop-contributing Governments to their troops. The corresponding absorption

factor, indicating the percentage of the costs to each of the troop-contributing States not covered by the current rate of reimbursement of \$70 per person per month is also shown. The reported average cost per person per month in December 1991 ranged from \$61 to \$376, with an overall average cost of \$213 and a median cost of \$195.

21. Annex IV lists the individual as well as the average absorption factors borne by the troop-contributing Governments in respect of pay and allowances only, based on data provided by them for the years 1980, 1984, 1986, 1988 and 1991. The annex also lists the average absorption factors if consideration were to be given to the elimination of the highest and lowest absorption factors for each year. The absorption factors shown in the annex for each of the five years represent those portions of the costs for pay and allowances, including overseas allowances, paid to the troops by the troop-contributing States, which are in excess of the current reimbursement levels.

22. The results of the analysis of the cost information provided by 10 of the 11 Member States that were providing military personnel (other than troops) to United Nations peace-keeping operations are set out in annex V. It indicates that the average total cost incurred by those States for providing military personnel (other than troops) amounted to \$2,613 per person per month. The median cost amounted to \$1,638 per person per month. It should be noted that those military personnel all have officers rank.

#### IV. OBSERVATIONS

23. As regards consideration that the rates of reimbursement should reimburse all troop-contributing States at least the actual overseas allowance paid to their troops, it should be noted from the distribution shown in column (2) of annex II, when compared with column (3), that 5 of the 15 States are not being fully reimbursed for overseas allowance. The overall average overseas allowance (excluding salary) paid by the troop-contributing States to their troops amounted to \$754, and the average United Nations reimbursement for troop costs (including basic pay and supplementary allowance for a limited number of specialists) amounted to \$1,041.

24. As regards consideration that no Government should receive a higher reimbursement than its actual cost, it should be also noted from the distribution shown in column (1) of annex II, when compared with column (3), that the reimbursement for troop costs exceeds actual cost for pay and allowances (including overseas allowance) in 4 out of the 15 cases.

25. As indicated in annex IV, the overall average absorption factor for 1991 is 43.1 per cent, after the elimination of the highest and lowest absorption factors. When this overall average is compared to the previous average (49.3 per cent), which was derived from the review undertaken in 1989 based on data submitted in 1988, there was a decrease of 6.2 per cent. Bearing in mind that the standard rates of reimbursement were revised effective 1 July 1991 and that on the basis of the December 1991 data the overall absorption factor has decreased by 6.2 per cent, it would appear that the current rates are not unreasonable and, therefore, would not warrant an adjustment at this stage.

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ANNEX I

Summary of States providing military personnel to United Nations peace-keeping operations as at 31 December 1991 and replies received

States	Troops	Military observers	Replies received
1. Algeria		x	
2. Argentina		x	
3. Australia	x	x	x
4. Austria <u>a/</u>	x	x	x
5. Bangladesh		x	x
6. Belgium		x	
7. Brazil		x	
8. Canada <u>a/</u>	x	x	x
9. Chile	x	x	x
10. China		x	
11. Congo		x	
12. Colombia		x	x
13. Czechoslovakia		x	
14. Denmark	x	x	x
15. Ecuador		x	
16. Egypt		x	
17. Fiji <u>a/</u>	x	x	x
18. Finland <u>a/</u>	x	x	x
19. France <u>a/</u>	x	x	x
20. Germany		x	x
21. Ghana <u>a/</u>	x	x	
22. Greece		x	
23. Guinea		x	
24. Guinea-Bissau		x	
25. Hungary		x	
26. India		x	
27. Indonesia		x	
28. Ireland <u>a/</u>	x	x	x
29. Italy <u>a/</u>	x	x	x
30. Jordan		x	x
31. Kenya		x	
32. Malaysia		x	
33. Morocco		x	x
34. Nepal <u>a/</u>	x		x
35. Netherlands		x	x

/...

States	Troops	Military observers	Replies received
36. New Zealand <u>a/</u>		x	x
37. Nigeria		x	
38. Norway <u>a/</u>	x	x	x
39. Pakistan		x	
40. Peru		x	
41. Poland <u>a/</u>	x	x	x
42. Romania		x	x
43. Russian Federation		x	
44. Senegal		x	
45. Singapore		x	
46. Spain		x	x
47. Sweden <u>a/</u>	x	x	x
48. Switzerland	x	x	x
49. Thailand		x	x
50. Tunisia		x	x
51. Turkey		x	
52. United Kingdom of Great Britain and Northern Ireland	x	x	
53. United States of America		x	
54. Uruguay		x	
55. Venezuela		x	
56. Yugoslavia		x	
57. Zimbabwe	—	<u>x</u>	—
Count	<u>17</u>	<u>56</u>	<u>26</u>

a/ Troop-contributors surveyed for the 1989 review.

ANNEX II

Average troop cost, per person per month, reported by the troop-contributing States for pay and allowances, United Nations reimbursement to troop-contributing States and the corresponding absorption factor in December 1991

(United States dollars)

	Troop contributor's average cost for pay and allowances including overseas allowance, per person per month <u>a/</u> (1)	Troop contributor's average cost, per person per month, for overseas allowance only (2)	United Nations reimbursement to contributor for troop cost, per person per month (3)	Absorption factor (percentage) (4)
	412	0	1 061	(157.5)
	477	340	1 017	(113.1)
	797	300	1 061	(33.1)
	811	0	1 017	(25.3)
	2 457	467	1 017	58.6
	3 138	1 713	1 017	67.6
	3 249	346	1 061	67.4
	3 560	1 166	1 017	71.4
	3 662	423	1 017	72.2
	4 215	1 599	1 061	74.8
	4 217	862	1 061	74.8
	5 223	305	1 061	79.7
	5 473	1 348	1 029	81.2
	6 632	2 446	1 061	84.0
	9 845	0	1 061	89.2
Average	3 611	754	1 041	32.8
Median	3 560			71.4

a/ Listed in ascending order of magnitude.

ANNEX III

Average troop cost, per person per month, reported by the troop-contributing States for the usage factor for personal clothing, gear and equipment, and personal weaponry (including ammunition), and the absorption factor at the current reimbursement rate (US\$ 70) in December 1991

Each troop contributor's average cost, per person per month <u>a/</u> (United States dollars)	Absorption factor (percentage)
61	(15.2)
67	(3.7)
69	(1.0)
93	24.9
169	58.7
187	62.6
192	63.5
195	64.2
235	70.2
270	74.1
302	76.8
308	77.2
313	77.6
354	80.2
376	81.4
Average 213	52.8
Median 195	64.2

a/ Listed in ascending order of magnitude.

ANNEX IV

Summary of absorption factors in respect of pay and allowances, inclusive of overseas allowance

(Percentage)

(In ascending order of magnitude)

	1980	1984	1986	1988	1991
					(157.5)
					(113.1)
					(33.1)
					(25.3)
	18.6	(38.2)		(264.5)	58.6
	24.7	11.7	(37.0)	(26.9)	67.6
	37.1	13.6	35.2	51.6	67.4
	37.8	18.6	37.2	52.7	71.4
	40.4	28.8	42.5	55.3	72.2
	48.0	38.8	50.2	58.5	74.8
	49.7	48.8	56.4	58.7	74.8
	52.3	50.9	59.8	60.0	79.7
	57.9	61.9	67.3	65.6	81.2
	68.9	70.7	71.1	67.9	84.0
	69.5	72.2	80.4	76.9	89.2
Average	45.9	34.3	46.3	23.3	32.8
Average (excluding highest and lowest percentages)	46.3	38.2	52.5	49.3	43.1
Median	48.0	38.8	53.3	58.5	71.4

ANNEX V

Average costs, per person per month, reported by Governments for maintaining other military personnel assigned to United Nations peace-keeping operations

(United States dollars)

Paid while in the home country	Average salary		Average allowances		Usage factor for personal clothing, gear and equipment		Additional expenses borne by Government in preparing troops for tour of duty with United Nations peace-keeping operation	Total costs <u>a/</u>
	Additional payment while assigned to United Nations peace-keeping mission	Local	Over-seas	Issued for service in home country	Additional items issued for tour of duty with United Nations peace-keeping mission			
45		51	193	31	16		48	384
193				14	62		273	542
359		146			51			556
212		381	172	204	68			1 037
189			1 033	104	48			1 374
35	633	152	1 045	19	17		2	1 903
1 148		124	1 056	227	137			2 692
279			2 343	142				2 764
2 084		17	4 520		203		138	6 962
1 292		1 393	4 260	94	339		541	7 919
Average	584	633	323	1 828	104	105	200	2 613
Median								1 638

a/ Listed in ascending order of magnitude.

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ANNEX VI

Questionnaire

Table 1

December 1991 base salaries, excluding all allowances,  
 based on military salary scale

(in national currency)

Rank	No. in each rank	Average salary paid in the home country	Average salary paid while assigned to United Nations peace- keeping mission
Colonel			
Lieutenant Colonel			
Commandant			
Major			
Captain			
Lieutenant			
Warrant Officer Class 1			
Warrant Officer Class 2			
Staff Sergeant			
Sergeant			
Corporal			
Lance Corporal			
Private			
Total			

Table 2

December 1991 allowances paid to troops on tour of duty  
with United Nations peace-keeping mission a/

(in national currency)

A. LOCAL ALLOWANCE

(excluding benefits normally paid to all nationals)

Rank	No. in each rank	Average allowance paid while stationed in the home country
Colonel		
Lieutenant Colonel		
Commandant		
Major		
Captain		
Lieutenant		
Warrant Officer Class 1		
Warrant Officer Class 2		
Staff Sergeant		
Sergeant		
Corporal		
Lance Corporal		
Private	_____	
Total	=====	

a/ Not included in data provided in table 1.

December 1991 allowances paid to troops on tour of duty  
 with United Nations peace-keeping mission a/

(in national currency)

B. OVERSEAS ALLOWANCE

Rank	No. in each rank	Average additional allowance paid while assigned to United Nations peace-keeping mission
Colonel		
Lieutenant Colonel		
Commandant		
Major		
Captain		
Lieutenant		
Warrant Officer Class 1		
Warrant Officer Class 2		
Staff Sergeant		
Sergeant		
Corporal		
Lance Corporal		
Private	_____	
Total	=====	

a/ Not included in data provided in table 1.

December 1991 allowances paid to troops on tour of duty  
 with United Nations peace-keeping mission a/

(in national currency)

C. OTHER ALLOWANCE b/

Rank	No. in each rank	Average allow- ance paid while stationed in the home country	Average additional allowance paid while assigned to United Nations peace-keeping mission
Colonel			
Lieutenant Colonel			
Commandant			
Major			
Captain			
Lieutenant			
Warrant Officer Class 1			
Warrant Officer Class 2			
Staff Sergeant			
Corporal			
Lance Corporal			
Private	_____		
Total	=====		

a/ Not included in data provided in table 1.

b/ Specify each allowance separately in the same format. Use additional pages, if required.

Table 3

Direct cost to Government of providing personal clothing,  
gear and equipment to members of the national contingent  
during a tour of duty with a United Nations peace-keeping  
mission

(in national currency)

A. PERSONAL CLOTHING

1. Rank \_\_\_\_\_ No. of personnel \_\_\_\_\_

(a) Items issued for service in the home country

<u>Item</u>	<u>Scale of issue</u>	<u>Unit cost</u>
-------------	-----------------------	------------------

(b) Additional items issued for tour of duty with United Nations peace-keeping missions

<u>Item</u>	<u>Scale of issue</u>	<u>Unit cost</u>
-------------	-----------------------	------------------

(USE SEPARATE PAGE FOR EACH RANK)

/...

B. GEAR AND EQUIPMENT

1. Rank \_\_\_\_\_ No. of personnel \_\_\_\_\_

(a) Items issued for service in the home country

<u>Item</u>	<u>Scale of issue</u>	<u>Initial Unit cost</u>	<u>Residual unit value</u>
-------------	-----------------------	------------------------------	--------------------------------

(b) Additional items issued for tour of duty with United Nations peace-keeping missions

<u>Item</u>	<u>Scale of issue</u>	<u>Initial Unit cost</u>	<u>Residual unit value at end of tour of duty</u>
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(USE SEPARATE PAGE FOR EACH RANK)

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Table 4

Additional expenses borne by the Government in preparing  
troops for a tour of duty with a United Nations peace-  
keeping mission

(in national currency)

No. of troops \_\_\_\_\_

Amount

1. Transportation costs within home country
2. Medical examinations, inoculations, etc.
3. Other expenses (specify below):
  - (i) .....
  - (ii) .....
  - (iii) .....
  - (iv) .....
  - (v) .....
  - (vi) .....
  - (vii) .....
  - (viii) .....
  - (ix) .....
  - (x) .....

Table 5

OTHER COSTS

(in national currency)

<u>Type</u>	<u>Amount</u>	<u>Explanation</u>
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Table 6

SAVINGS a/

(in national currency)

<u>Type</u>	<u>Amount</u>	<u>Explanation</u>
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a/ Average monthly savings.