



Occasional Paper #16

UNITED NATIONS FINANCING PROBLEMS
AND THE NEW GENERATION OF PEACEKEEPING AND
PEACE ENFORCEMENT

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PREFACE

The Watson Institute is pleased to publish this occasional paper on the problems and possible solutions of United Nations financing peacekeeping and peace enforcement activities by Anthony McDermott, editor of the London *Financial Times* World Trade Page. This paper is the first in the occasional paper series that deals solely with U.N. financing, and McDermott offers his readers scope and variety to the complex and sometimes contradictory issues that affect U.N. financing and peacekeeping activities. Moreover, his analysis complements other Watson Institute publications that have appeared as part of our ongoing analytical efforts to improve the functions of the United Nations System. In particular, this paper grows from McDermott's two-month sabbatical at the Watson Institute in the summer of 1992 as a visiting fellow under the auspices of the Second Generation Multinational Operations Project, which was supported generously by the Ford Foundation.

Among McDermott's conclusions are that the U.N. will have to streamline its operations and be more open to governments and the public. Germany and Japan should be given more say on the Security Council. Attitudes toward the U.N. in the United States will have to be changed—both in Congress and the public.

McDermott consulted a wide range of sources in writing this paper, but his research benefited from the following recent documents: the report on *U.S. Participation in Peacekeeping Operations* by the U.S. General Accounting Office; *An Agenda for Peace* by Boutros Boutros-Ghali; *Financing an Effective United Nations: A Report of the Independent Advisory Group on U.N. Financing*, chaired by Shijuro Ogata and Paul Volcker, which was published in 1993 by the Ford Foundation; *United Nations Peacekeeping: Issues for Congress* by Marjorie Ann Brown, published by the Congressional Research Service; and the latest U.N. report on arrears in member contributions.

In addition, McDermott's first-hand experience as a seasoned reporter and editor for one of the world's leading

financial newspapers provides lively commentary as well as a timely perspective. He weaves quotes and data from recent interviews, correspondence, reports, and other publications to reach his own critical conclusions and caveats concerning U.N. financing.

This occasional paper reflects the contributions of many persons and organizations. The two institutions co-sponsoring the Humanitarianism and War project deserve special thanks. Brown University's Thomas J. Watson Jr. Institute for International Studies in Providence, R.I. and the Refugee Policy Group in Washington, D.C. have provided contributing scholars and practitioners an institutional base for their research and writing.

As always, we welcome reactions from our readers.

Thomas G. Weiss
Providence, R.I.
November 1993

ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ASEAN	Association of Southeast Asian Nations
CIPA	Contributions to International Peacekeeping Activities
CRS	Congressional Research Service
DOMREP	Mission of the Representative of the Secretary-General in the Dominican Republic
EC	European Community
FAO	Food and Agriculture Organization
FOD	Field Operations Division
FY	Fiscal Year
GA	United Nations General Assembly
GAO	United States General Accounting Office
GDP	Gross Domestic Product
GNP	Gross National Product
ILO	International Labour Organisation
IMF	International Monetary Fund
MINURSO	United Nations Mission for the Referendum in Western Sahara
NATO	North Atlantic Treaty Organization
OAS	Organization of American States
OAU	Organization of African Unity
ONUC	United Nations Operation in the Congo
ONUSCA	United Nations Observer Group in Central America
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
PKO	Peacekeeping Operations
SADF	South African Defense Forces
SDRs	Special Drawing Rights
SWAFT	South West Africa Territorial Force
SWAPO	South West Africa People's Organization
U.N.	United Nations
UNA	United Nations Association

UNAMIC	United Nations Advance Mission in Cambodia
UNAVEM	United Nations Angola Verification Mission
UNDOF	United Nations Disengagement Observer Force
UNDP	United Nations Development Program
UNEF	United Nations Emergency Force
UNEP	United Nations Environment Program
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNFPA	United Nations Fund for Population Activities
UNGOMAP	United Nations Good Offices Mission in Afghanistan and Pakistan
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations International Children's Education Fund
UNIFIL	United Nations Interim Force in Lebanon
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNIPOM	United Nations India-Pakistan Observer Mission
UNMOGIP	United Nations Military Observer Group in India and Pakistan
UNOGIL	United Nations Observation Group in Lebanon
UNOSOM	United Nations Operation in Somalia
UNPROFOR	United Nations Protection Force
UNSC	United Nations Security Council
UNSCOB	United Nations Special Committee on the Balkans
UNSF	United Nations Security Force in West New Guinea
UNTAC	United Nations Transitional Authority in

UNTAG	Cambodia United Nations Transition Assistance Group
UNTEA	United Nations Temporary Executive Authority
UNTSO	United Nations Truce Supervision Organization in Palestine
UNYOM	United Nations Yemen Observation Mission
U.S.	United States
WCF	Working Capital Fund

INTRODUCTION

The way that peacekeeping under the auspices of the United Nations has evolved has become a painful and very visible truism. The sights of suffering in countries such as Cambodia, Somalia, and, above all, the former Yugoslavia, have brought home both the importance and impotence of what used to be called peacekeeping. The term now used is peace enforcement, with all the risks that this entails.

Resorting to the United Nations to attempt to settle regional and ethnic problems has become an almost knee-jerk reaction from regional authorities that are losing control over their own peoples. To that extent, even after the ending of the Cold War and the dissolution of the Soviet Union, one aspect of U.N. peacekeeping operations has not changed. The U.N. is called in when governments and nongovernmental groups cannot come to agreement. U.N. peacekeepers have for decades—and world-wide—had to take up tasks that others could not cope with.

The serious difference is the size and the number of missions that the U.N. has undertaken. Without careful monitoring and what Boutros Boutros-Ghali, the U.N. Secretary-General, calls “preventive diplomacy,” this situation could spin seriously out of control with the U.N. running into the hazard of being invited or drawn into a myriad of ethnic wars.¹ The *New York Times* listed no less than 48 global possibilities: 9 in Europe, including the former Yugoslavia; 7 in the Middle East and North Africa; 15 in sub-Saharan Africa, including Somalia; 13 in Asia; and 4 in Latin America.²

This paper does not attempt to analyze the on-the-ground operations. But it does try to draw attention to an often overlooked aspect of peacekeeping operations, namely the miserly and often ad hoc way they are financed. It frequently has been argued that the U.N. has managed over decades to muddle through its financing. However, the growth in the number of operations taken on in recent years has made it more likely that a financing disaster could occur through overstressing the U.N.

The *Financial Times* of London reported that the peacekeeping operation due to start in Somalia would cost over \$1.5

billion in the initial 12-month period, according to estimates given by the U.N. Security Council.³ This was more than the official estimate of \$1.4 billion for Cambodia. With other operations, this could bring the bill for 13 U.N. peacekeeping operations for 1993 to \$4.2 billion.

Precise figures can always be disputed, as I hope will become clear from my text. But what cannot be disputed is the exponential growth in peacekeeping expenditures (and enforcing) and that, at a time when U.N. forces have never been in such demand, unless members of that organization address themselves to the problems of financing these activities, a major tragedy affecting the credibility of the U.N. beckons.

Anthony McDermott
London
August 1993

PEACEKEEPING ON THE CHEAP—A SERIES OF PROPOSALS

If the world wants global peacekeeping, it can get it on the cheap. This is the illusion. The fundamental problem is that as confidence in the peacekeeping capacity—real or imagined—has grown, so have expectations, with the result that U.N. resources—financial, physical, and material—are grossly overstretched.

The tragic events in Bosnia, Cambodia, and Somalia have raised serious questions not only about expectations, but also credibility in the U.N.'s capacity to carry out its new extended burdens without wasteful misspending.⁴ As the nature of peacekeeping in its broadest definition changes, it is even more apparent than before that the combination of preventive medicine operations on the ground and follow-up care can come at a cost that is little compared with the wasteful expenses on defense. Developing and developed countries are equally guilty of this misdirection of resources. As argued in this paper, a tiny proportion of these defense funds that are redirected to the United Nations would go a considerable distance toward easing the problems of U.N. peacekeeping—and its organization.

The latter point is raised because the U.N., to be a credible recipient of funds, must set its own house in order. It has two main houses in peacekeeping terms: one in New York, where the organization needs to be streamlined; and the other in the fields, where it is apparent that from Cambodia to south Lebanon and Somalia, the presence of a U.N. peacekeeping force often has encouraged corruption, local inflation, and given a bad name to what is otherwise a totally commendable undertaking.

Michael Renner reinforced this point:

Unrestrained production and trading of arms has resulted in enough accumulation of weapons around the world to ensure that fighting, once it breaks out, can continue for a long time. Spending an estimated \$30 trillion (in 1990 dollars) for military purposes since World War II, the world's nations have acquired a

collective arsenal of unprecedented lethality.⁵

The enormity of defense spending is hard to believe. “In 1992,” Renner wrote, “they had either deployed or stockpiled some 45,000 combat aircraft, 172,000 main battle tanks, 155,000 artillery pieces, more than 1,000 major surface warships, and about 700 military submarines.”⁶ He added that “Since 1960, at least \$1 trillion dollars worth of arms crossed international borders, much of it going to the Third World.”⁷ To fuel local disputes? One wonders. And is the U.N. really able to cope unless it brings its own financing under control and within the context of broader ideas as to how the U.N. can manage taking on larger global commitments?

In Cambodia, the former Yugoslavia, and Somalia, there are the three largest operations ever undertaken. Before 1991, the largest U.N. operation took place in the then Congo involving up to 19,825 people.⁸ Since 1948, more than 650,000 people, involving military, police, and civilian personnel, have served in peacekeeping missions. The cost between 1948 and 1992 amounted to \$8.3 billion—“a trifling fraction—less than three one-hundredths of one percent—of the roughly \$30 trillion devoted to traditional military purposes over the same period.”⁹

U.N. Secretary-General Boutros Boutros-Ghali made the point that:

A long-standing problem which continues to hamper the effectiveness, if not the viability, of all operations is the time-lag that currently exists between the decision to create a new operation and the actual arrival of United Nations troops in the field. Under current procedures, it can take three to four months for a peacekeeping mission to become fully operational once the Security Council has authorized its creation.¹⁰

With an aside toward financing he added,

It takes that long for discussions to be concluded with troop-contributing states on the composition of the force; for the purchase and shipment of communication equipment, appropriate vehicles and other materiel; and for the transportation and deployment of infantry and military specialists from different countries.¹¹

Behind the barrage of figures is a potential explosion as U.N. peacekeeping operations expand without the financial and management back-up behind them. One U.N. weakness has been its strength—its ability to muddle through financially has led outsiders to believe that its structure is sound and equal to the challenges that are expanding exponentially. But one issue that the U.N. has to settle is the difference between withholding payments—for whatever reasons—and delays in payments that might be justified for reasons of a budgetary cycle or a sheer inability to pay at that time.

The costs of the U.N. are likely only to increase if the U.S. strengthens its support for the organization. Involved in this would be anticipation of crises and not mere reaction. One dilemma is that for the U.N. to become more skilled at anticipating disasters or areas of tension it would need more sophisticated technical equipment, which “would include seismic, acoustic, magnetic, infrared, pressure or strain, and radar sensors for remote detection of intrusion or other unauthorized activity instantaneously.”¹² And this would be costly.

This paper does not attempt to confront the financial costs of such a change in policy direction but raises the issue as one central to the future role of U.N. peacekeeping.¹³ Leaving his post as Undersecretary-General for Administration and Management at the U.N. in early 1993, Richard Thornburgh summed up the financing system of peacekeeping operations neatly, if not entirely diplomatically. He compared them to a “financial ‘bungee jump,’ often undertaken in blind faith that timely appropriations will be forthcoming.”¹⁴

MUCH EXAMINATION OF THE NEW U.N. CIRCUMSTANCES

Several documents of particular significance¹⁵ have emerged between September 1992 and February 1993 that have gone into some detail of the current state of the U.N.'s regular and peacekeeping budgets, and put forward some proposals as to how these budgets should be financed to cope with new, post-Cold War circumstances.¹⁶

A series of clear messages emerge from these disparate sources. The first is that while the U.N.'s finances have, since its inception, teetered on the brink of chronic bankruptcy, the sheer scale and variety of operations undertaken has resulted in a crisis that goes beyond the Secretariat crying perennial wolf.

Boutros-Ghali's report, significantly sub-titled "Preventive Diplomacy, Peacemaking and Peacekeeping," related, "The efforts of the Organization to build peace, stability and security must encompass matters beyond military threats in order to break the fetters of strife and warfare that have characterized the past."¹⁷ These inevitably are more costly than in the past.

The second, as acknowledged above, is that the new undertakings are not only large—such as in the former Yugoslavia, Cambodia, and Somalia—but also involve operations that lie beyond the traditional scope of peacekeeping. Humanitarian aid has to be escorted in the former Yugoslavia, elections are to be monitored in Cambodia, and a battered country restored economically and politically in Somalia. These inevitably involve mounting costs.

The third is that under these strains, the U.N. needs to reform the way it finances itself, or at least to refine the existing system and explore alternative ways of raising revenue. The implied fourth message is that the major contributors should pay their arrears—and here the U.S. is the main inexcusable culprit—so that the U.N., presently held in esteem as the prophylactic and global solution provider to regional problems, can carry out this role.

THE U.N., MONEY, THE BOY WHO CRIED "WOLF, WOLF!" AND THE
VILLAGERS WHO CAME OUT TO HELP HIM (*AESOP'S FABLES*)

What is also apparent from these documents and the congressional hearing is that from the early 1960s, various proposals and ideas have been recurring. This has encouraged in part the cynical view that the U.N.'s problems with its funding are chronic and that the organization has always succeeded in remaining financially afloat by juggling money between various accounts so as "to rob Peter and pay Paul." Even if this were the case and it was tolerable to permit this to continue, the argument is strengthened that the financial system of the U.N. needs to be streamlined and reformed, both for running the general budget and funding peacekeeping operations.

The purpose here is to explore these messages and try to explain why the U.N. finds itself in the predicament of promising much but being bereft of the means to deliver this promise. Deliberately, definition of the nature of the various peacekeeping projects is kept to a minimum so that the concentration can be on the financial issues.

The General Accounting Office (GAO) has issued over the years a number of reports on the participation of the U.S. in a variety of U.N. operations. One idea it proposed that could be applied to peacekeeping operations and that is permissible under U.N. regulations is the establishment of trust funds for specific purposes.¹⁸ Under the U.N. Environment Program (UNEP), they are financed by various member governments. In the case of UNEP itself, the trust funds are financed by various governments and include such programs as regional seas and environmental programs. Within the context of regional organizations providing greater support for peacekeeping operations, there can be few objections to such a system being applied here.

The GAO's 1992 report notes that from 1948 until the end of January 1992, an estimated 528,000 military, police, and civilian personnel had served under the U.N. flag, costing a total of \$8.3 billion by the end of 1991.¹⁹ Costs have risen sharply since then, but it remains a crucial point that, however the success or failure of these missions are measured, the

world has been obtaining peacekeeping missions on the cheap. The Ford Advisory Group pointed out:

The size of the U.N.'s budget, about \$5.2 billion in 1992 (including the regular budget, peacekeeping, and voluntary contributions to the U.N. as well as to UNICEF, UNDP and UNFPA), pales by comparison with national defense costs or transactions in the private sector. The startling fact is that the sum of U.N. regular budget and peacekeeping costs for 1992, an especially active year, was less than the cost of two Stealth bombers, or the combined cost of operating New York City's Fire and Police departments...on average, the nations of the world invest only \$1.40 in peacekeeping for every \$1,000 they devote to their own armed forces.²⁰

The Ford-backed report on financing the U.N. effectively makes the point that peacekeeping costs in 1992 totaled \$1.4 billion.²¹ It observed:

This figure (\$1.4 billion) represents the actual cost of the various U.N. peacekeeping missions in calendar year 1992. In its reports, the U.N. often refers to what it calls the 'annualized' cost of its peacekeeping operations, which currently stands at about \$2.6 billion. The annualized cost is an estimate of what it would cost to run each individual mission for a 12-month period.²²

This stems from the fact that peacekeeping missions are often authorized for irregular periods, and begin at various months throughout the year.

The GAO provides valuable insights into how the U.N. financial system works theoretically.²³ The Advisory Committee on Administrative and Budgetary Questions (ACABQ) was established to provide the General Assembly with expert

advice on financial matters.²⁴ The Advisory Committee is comprised of 16 members, including one current member from the United States, who serve in a personal capacity rather than as official representatives of their governments. The committee is charged with examining peacekeeping budget proposals for reasonableness and cost justification in consultation with the Security Council and Field Operations Division. The ACABQ reports the results of its reviews to the General Assembly. The budget proposal is then sent to the Assembly's Fifth Committee, which is made up of representatives from all member countries, to review further the budgets and ACABQ's recommendations. This review is to help ensure that political concerns are addressed. Following Fifth Committee approval, the budget is voted on in the General Assembly. In this laborious process, funds for a peacekeeping operation are allotted and member states assessed.

The GAO points out the irregularity with which U.N. budgets are reviewed.²⁵ It quoted one U.S. official as saying that in 1991, the ACABQ had spent over three months to review the U.N. regular budget, but only three days reviewing peacekeeping budgets, even though the total of U.N. peacekeeping budgets for the coming year exceeded the regular budget.

Among other responsibilities, the ACABQ is charged with examining peacekeeping budget proposals for reasonableness and cost justification in consultation with the U.N. Security Council and the Field Operations Division (FOD), which, in general terms, is responsible for organizing the civilian administration staff to support a peacekeeping operation. In close collaboration with the Office for Special Political Affairs and the Office of Program Planning, Budget and Finance, FOD makes arrangements for the airlift of the contingents, prepares the final budgetary proposals for the operation, and presents those proposals to the ACABQ and the General Assembly's Fifth Committee (Administrative and Budgetary Committee). Additionally, FOD arranges to procure the necessary stores for the maintenance of the operation and directs the operations of the civilian administrative staff in the field.²⁶

The U.N. Secretary-General has only limited access to funds for starting up peacekeeping operations, in spite of the

increase in demand for the U.N.'s services. Without ACABQ approval, he may authorize up to \$3 million annually from a special fund. In addition, ACABQ can approve expenditures of up to \$10 million to begin peacekeeping operations.

The restricted access for the U.N. Secretary-General to start-up funds exposes further problems in the process of fund allocation for peacekeeping. The GAO records that ACABQ members had said the General Assembly's reviews would benefit from having more time and resources devoted to them.²⁷

The GAO recommended that the review process used by the General Assembly be examined closely; that the Secretary-General report to member countries on principal internal auditing findings; and that the basis for, and equity of, the special U.N. assessment scale for peacekeeping operations be re-examined.²⁸ Anomalies, particularly among oil-producing countries, are examined later. The U.S. has a particular interest in the latter recommendation since its assessment scale for the regular budget is 25 percent (followed by Japan with 12.45 percent) of costs and 30.4 percent for peacekeeping (Japan 12.45 percent).²⁹

In this context, the source of U.S. funding is acutely relevant. It is administered by the State Department. However, since the first peacekeeping forces were set up in 1948—the U.N. Truce Supervision Organization—the Department of Defense has furnished supplies, equipment, military airlift and sealift, and logistical support, for which in theory it obtains reimbursement from the U.N. and the State Department (the latter up to \$5 million annually).³⁰ The GAO recommends that procedures for monitoring costs incurred by the Pentagon should be updated to provide a swifter response to peacekeeping demands. But the GAO stops short of expressing a view on a key controversial issue: that the State Department should cede duties of funding and administering peacekeeping to the Pentagon. Such a change would be an improvement, although it would involve considerable political difficulties on Capitol Hill, not least because it would remove peacekeeping out of the category of foreign aid, which is where financing for the U.N. as a whole currently resides.

BOUTROS-GHALI'S *AGENDA FOR PEACE*

At the behest of the first meeting of the Security Council at the level of heads of state and government on January 31, 1992, the new U.N. Secretary-General Boutros-Ghali produced some months later *An Agenda for Peace*. The Security Council's statement invited him to prepare an "analysis and recommendations on ways of strengthening and making more efficient within the framework and provisions of the (U.N.) Charter the capacity of the United Nations for preventive diplomacy, for peacemaking and for peacekeeping."³¹ And those last words have been adopted into the sub-title for his *Agenda*. Many of Boutros-Ghali's proposals had been aired previously, as he acknowledged, by his predecessor, Javier Pérez de Cuéllar in a report before leaving office.³²

Boutros-Ghali wrote the following account of the changing role of the U.N. and its contribution to peacekeeping:

Thirteen peacekeeping operations were established between the years 1945 and 1987; 13 others since then....The unpaid arrears toward (the peacekeeping operations) stand at over \$800 million, which represent a debt owed by the Organization to the troop-contributing countries. Peacekeeping operations approved at present are estimated to cost close to \$3 billion in the current 12-month period, while patterns of payment are unacceptably slow.³³

The exact assessment of peacekeeping operational costs are difficult. The Ford Foundation report showed that from the 1992 budget for the U.N. and its affiliated programs peacekeeping operations were allocated \$1.4 billion, which represented the approximate amount the U.N. actually spent on assessed missions in the calendar year 1992.³⁴ The amount for which the U.N. assessed member states for peacekeeping in that year was slightly higher, about \$1.54 billion. "Against this, global defense expenditures at the end of the last decade had approached \$1 trillion a year, or \$2 million per minute,"³⁵

Boutros-Ghali noted.

Interestingly, Boutros-Ghali not only is firmly in favor of peacekeeping operations being financed from defense rather than foreign affairs budgets, but he also recommends this change.³⁶

On financing peacekeeping operations, Boutros-Ghali observed that “A chasm has developed between the tasks entrusted to this Organization and the financial means provided to it.”³⁷

He has his own prescriptions, none of which are particularly innovative:

- To confront the cash flow problem caused by the exceptionally high level of unpaid contributions and with the problem of inadequate working capital reserves:
 - a. *Charge interest on the amounts of assessed contributions not paid on time.* The problem here, as with many money-raising or money-punishing proposals, is one of enforcement.
 - b. *Suspend certain financial regulations of the U.N. to permit the retention of budgetary surpluses.* Here arises the vexed question of whether funds allocated for one purpose should be shifted to another. The U.S. Congress is hostile toward such an idea. However, the U.N. has for years used its ad hoc approach toward using individual budgets for purposes not originally assigned to them to keep itself afloat in the areas of financing peacekeeping operations and the regular budget.
 - c. *Increase the Working Capital Fund (WCF) to a level of \$250 million and endorse the principle that the level of the WCF should be approximately 25 percent of the annual assessment under the regular budget.* Again, opposition is likely to come from U.N. members who oppose the establishment of funds without clearly defined terms of reference.
 - d. *The same would apply to the proposal of the establishment of a temporary Peacekeeping Reserve Fund, at a level of \$50 million, to meet the initial expenses of peacekeeping operations pending the receipt of assessed contributions.* The logic of this proposal is imperative, for both time and money has been wasted as a result of lassitude and conservatism of U.N.

bodies and the individuals representing member states to react to calls for setting up peacekeeping forces.

e. *Authorize the Secretary-General to borrow money commercially, should other sources of cash be inadequate.* This, in its own way, is the most adventurous suggestion. The critics argue that such a move would undermine the concept of the U.N.'s universality and encourage the chronically penniless or non-payers of arrears—for whatever reason—to continue their delinquency.

- The creation of a Humanitarian Revolving Fund—since implemented—of \$50 million.
- The establishment of the U.N. Peace Endowment Fund, with an initial target of \$1 billion. The fund would be created by a combination of assessed and voluntary contributions, with the latter sought from governments, the private sector, and individuals. The fund, having reached its target level, would use the proceeds from the investment of its principal to finance the initial costs of authorized peacekeeping operations, other conflict resolution measures, and related activities.³⁸

The striking element of these ideas is that Boutros-Ghali is encouraging unconventional means of raising funds for financing the U.N.'s budgets. These include a levy on arms sales that could be related to maintaining an Arms Register by the U.N.; a levy on international air travel, which is dependent on the maintenance of peace; authorization for the U.N. to borrow from the World Bank and International Monetary Fund; a general tax exemption for contributions made to the U.N. by foundations, businesses, and individuals; and, importantly, changes in the formula for calculating the scale of assessments for peacekeeping operations.

Boutros-Ghali noted that:

...a stark fact remains: the financial foundations of the Organization daily grow weaker, debilitating its political will and practical capacity to undertake new and essential activities. This state of affairs must not continue. Whatever decisions are taken on financing

the Organization, there is one inescapable necessity: Member States must pay their assessed contributions in full and on time. Failure to do so puts them in breach of their obligations under the Charter.³⁹

The Secretary-General recommended in *An Agenda*:

- Immediate establishment of a revolving Peacekeeping Reserve Fund of \$50 million.
- Agreement that one third of the estimated cost of each new peacekeeping operation be appropriated by the General Assembly as soon as the Security Council decides to establish the operation. This would give the Secretary-General the necessary commitment authority and assure an adequate cash flow. The balance of the costs would be appropriated after the General Assembly approved the operation's budget.
- Acknowledgment by member states that, under exceptional circumstances, political and operational considerations may make it necessary for the Secretary-General to employ his authority to place contracts without competitive bidding.⁴⁰

These recommendations are, in effect, a challenge to the existing and evolving financial and political order of the U.N. On the one hand, Boutros-Ghali argues that the Secretariat needs a freer hand in responding quickly to an ever-widening series of demands. As case histories show, there have been examples of how money has been wasted because the existing processes through the General Assembly, related committees, and the Security Council are laborious and slow. On the other hand, if a speedier funding process is to be justified, and this includes apportioning money to advance funds without specific purposes, the burden rests on the Secretariat to prove that it can be trusted, through efficient reform of the bureaucratic structure, with that responsibility.

Boutros-Ghali concluded: "I have therefore asked a select group of qualified persons of high international repute to examine this entire subject (assuring financial security to the

Organization over the long term) and to report to me.”⁴¹

THE WISE MEN SPEAK: BUT WITH FEW NEW INSIGHTS

The formidable array of “qualified persons of high international repute”⁴² reflected a desire to have the intellectual and geographically regional diversity spread as widely as possible. But this exercise in harnessing the experienced talents of distinguished bankers, politicians, and businessmen has produced recommendations of which few, if any, open new doors toward easing the broad financing problems of the U.N. There could be two reasons for this.

First, there was amazement at the size of the sums involved. The U.N.’s annual budget, including everything from the regular budget to agencies funded voluntarily, amounted to just under \$5.3 billion in 1992⁴³—paltry sums compared with those that most of the members of the Advisory Group had dealt with professionally. Second, it was also clear—and this point could be linked to the first—that they had restricted knowledge about how the financing of the U.N. was run and where the decisions were made.

Nevertheless, their findings deserve to be recorded. They agreed with some of the conclusions of the Secretary-General, saying that “delinquent payments” by member states had led to an irregular cash flow, depleted reserves, great uncertainty about how the U.N. could respond effectively to legitimate and important demands, and difficulty in funding the start-up phase of new operations.⁴⁴

In spite of payments of dues being a Charter obligation, in 1993, only 18 countries, providing 16 percent of the U.N. budget, had paid in full by the January 31 deadline (the top 15 contributors to the U.N. finance provide about 84 percent of its regular budget).⁴⁵

It is regularly accepted that during months when expenditures exceed cash available the U.N. has been forced to borrow funds from its peacekeeping accounts to meet its regular operating costs.

One recommendation that should be implemented and supported is that member states, especially those which are the major contributors, should pay their dues in four quarterly

installments, instead of a single lump sum at the beginning of the year. The imbalance between the budgetary cycles of individual contributors, notably the U.S. and Japan, and that of the biennial U.N. budget has been a major contributory factor to seasonal shortfalls of funds. Part of the withholding of funds, however, cannot be attributed solely to budgetary cycles.

In an attempt to get around these difficulties, the report suggested that the U.N. should be given authority to charge interest on late payments under the new quarterly schedule, and that interest deposited in the Working Capital Fund. While this is sound in principle, there would be a recurrent problem of enforceability.

More reasonable is the suggestion that countries, which appropriate their contributions late in the year, should appropriate their regular dues earlier than they do now—if necessary, phasing in this change over several years.⁴⁶ An argument used against this is frequently that, from the point of view of the major donors, it is difficult to make such appropriations without knowing precisely what they will be used for.

The former Soviet Union, France, the United States, and lately Germany and Japan, for reasons ranging from sheer Cold War tactics to short-term political disapproval of specific operations and to wanting to indicate a need for the quantity of funding to be reflected in a more senior position on the U.N. Security Council, have short-changed the U.N. budgets.

There are the usual pious hopes and fundamental assertions such as: “All countries must pay their assessed U.N. dues on time and in full. Countries with past arrears should pay them as quickly as possible. This responsibility is particularly great for the large contributors.”⁴⁷

The authors of the report hope that, once a reliable way of paying bills has been established, the U.N. should stop borrowing funds from its peacekeeping accounts to cover regular budget expenditures. This is a reasonable, if naïve, proposal because peacekeeping operations—in their broadest definition—are both unpredictable and dangerous. It therefore makes sense that the Working Capital Fund, designed to cover regular budget expenditures and limited emergency expenditures when contributions are late, should be expanded from \$100

million (it was raised to that level in 1982) to \$200 million through a one time assessment.

“NEITHER A BORROWER NOR A LENDER BE”—SHAKESPEARE

The chances of the U.N. being capable of becoming a lender are remote. But the Advisory Group was adamant that the U.N. should not borrow from commercial institutions or international lending agencies. It argued that the U.N. “is not a commercial entity, nor can it be compared to a national government.”⁴⁸ It dismissed this possible source of funding on the basis of the argument, which is not without strength, that the U.N. is not a credible investment target—leaving aside the problems of getting member states to repay the borrowed funds. In addition, it argued in familiar terms that the U.N.’s having “easy access to credit...could well undermine its financial discipline. It might also give governments an excuse to delay paying their dues.”⁴⁹

Starkly, the Advisory Group recommended: “The U.N. should not be given authority to borrow.”⁵⁰ It is an attitude that reflects the most unadventurous and conservative approaches of many of the national representatives in the General Assembly and Security Council. Consequently, there is a reluctance to accept the fact that the U.N. is going through a period of unprecedented demands on the full range of its services. Against this measure, it needs to explore and enact every possibility of raising funds, however unprecedented or unconventional. Indeed, pursuing these paths might jolt member nations into modifying attitudes toward the apparent sanctity of all-embracing collective responsibility.

The Ford-backed report concurred with accepted wisdom that the assessment formula should be modernized to ensure that it reflects more fairly the ability of all members to contribute to the U.N.’s expenses. It recommended that the regular budget assessment rate should be based on a three-year, rather than ten-year, average of member states’ GDP.

The pattern is observed that the U.N. has been able to cope with delays in the financing of peacekeeping accounts by borrowing from the long-standing operations to pay for the start-up costs of new missions.⁵¹ But it is rightly concerned

that, although the U.N. General Assembly had recently approved a \$150 million revolving fund for peacekeeping start-up costs, it was inadequate. Indeed, only \$60 million was immediately available. The group also recommended the establishment of a larger fund of \$400 million, financed by three annual assessments.

Given the expanded nature of peacekeeping operations—such as Somalia, Cambodia, and election-monitoring in Mozambique—the Advisory Group also would support a regular appropriation for peacekeeping training “at a level the U.N. considers appropriate to enable its staff and military contingents provided by member states to deal with the increasingly complex duties they are assigned.”⁵² Moreover, there is the observation that the U.N. consistently overestimates, through annualizing costs, real annual expenditure. Less dramatic than the operations in major tension areas identified above is the case of ONUMOZ. Set up in Mozambique, it has been assigned a variety of interrelated functions, including monitoring and verification of the cease-fire and demobilization, technical assistance for the electoral process, and coordinating the delivery of humanitarian aid.

This is a blithe concept because it would require further demands on member states’ contributions. At the same time, it points out that “There is no permanent, overall logistical and contingency planning infrastructure for managing operations and providing them with common services.”⁵³

Within this context, “The U.N. might consider the merits of a unified peacekeeping budget, financed by a single annual assessment.”⁵⁴ But problems would still remain, for under current financial rulers, the U.N. is unable to make available more than \$3 million before a mission budget is approved by the ACABQ, or more than \$10 million before it is approved by the General Assembly. The group advised that the Secretary-General should be permitted to obligate up to 20 percent of the initial estimated cost of a peacekeeping operation once the Security Council has given its approval.

Predictably, and in line with other views, it recommended that there should be a shifting—in terms of assessment formulas—of countries between groups. “All member states with above-average per capita incomes, except for the permanent

members of the Security Council, should be included in the B group of developed nations, which pay the same rate of assessment for both peacekeeping and the regular budget.”⁵⁵ However, this readjustment would have only a marginal effect on the rate paid by the permanent members of the Security Council.

On voluntary contributions, the report is broadly negative because of what it sees as a spoiling effect in setting specific goals for particular projects. The same applies to unorthodox methods of raising funds. It mentions levies on airline traffic and shipping, which have an obvious stake in the maintenance of international peace, as well as taxes on arms sales and on the production of hydrocarbon fuels. Some have talked of the establishment of an international U.N. lottery and campaigns to encourage private donations to the U.N.

However, the group’s conclusion could have been less cautious. It believed that:

Current proposals for additional, nongovernmental sources of financing are neither practical nor desirable. For now, the system of assessed and voluntary contributions provides the most logical and appropriate means of financing the U.N., as it permits and encourages member governments to maintain proper control over the U.N.’s budget and its agenda.⁵⁶

In the end, the report’s conclusions broke little new ground. “We have been impressed,” the Wise Men said, “in particular by the contrast between the demands placed on the United Nations and the smallness and precariousness of its financial base.”⁵⁷

U.N. PEACEKEEPING: ISSUES FOR CONGRESS

The meticulous Congressional Research Service, which issued the publication, gave a good summary of peacekeeping operations.⁵⁸ It observed that since 1948, the U.N. had created 27 peacekeeping operations, 13 of which were currently in

operation.⁵⁹ During 1988 and 1989, five operations were created, incurring an estimated cost of \$629.8 million, 31 percent of which was paid by the United States. The U.N. Security Council established an additional nine operations in 1991 and 1992. The U.N. estimates its peacekeeping expenditures in the 1992 calendar year at \$2.8 billion (the Ford Advisory Group, as mentioned, had reservations about actual expenditure), with U.S. payments for that year at \$531.8 million.

The attitude of the U.S. has changed substantially from the Reagan era and before, when the view was that, in spite of the funds put in by the U.S., the U.N. was essentially pro-Third World and, at best by default, pro-Communist and anti-American. In early 1992, this change in approach was reflected by President Bush, requesting an additional \$350 million for fiscal year (FY) 1992 to meet FY 1991 and FY 1992 unfunded requirements for four peacekeeping operations set up in 1991.⁶⁰

For FY 1993, President Bush requested \$88.32 million for U.S. assessed contributions to UNDOF, UNIFIL, and UNIKOM, and an additional \$350 million for new peacekeeping requirements, such as Cambodia and the former Yugoslavia. He also requested \$22 million for FY 1993 arrears payments for UNDOF and UNIFIL, and \$44 million for advance appropriations for FY 1994 and FY 1995 arrears payments. The FY 1993 assessed peacekeeping request, aside from the \$44 million advance, totaled \$460.3 million for U.S. contributions toward U.N. peacekeeping. The State Department Appropriations bill for this amount passed Congress and was signed by the president in October 1992. FY 1993 funds for the Cambodia operation (UNTAC) were paid just before Christmas 1992.

HOW THE U.S. FINANCES U.N. PEACEKEEPING

There are three ways by which the U.S. contributions to U.N. peacekeeping operations may be funded.⁶¹ This is crucial, not just because of the size of contributions that the U.S. has made over the years, but also because it shows how these methods might be modified, given the political will of Washington.

First, Congress finances a major portion of U.S. contributions through State Department authorization and appropria-

tion bills (under Contributions to International Peacekeeping Activities—CIPA—in the International Organizations and Conferences Account). These are subject to the percentage assessed account obligated by the U.N. General Assembly on individual countries.

Second, Congress finances one operation, the United Nations Peacekeeping Force in Cyprus (UNFICYP), from foreign assistance authorizations and the appropriation bill under Peacekeeping Operations (PKO) in the Security Assistance Programs account. UNFICYP is a rarity because it is financed through voluntary contributions from U.N. participating member states.

Third, Congress funds the U.S. contributions to such operations as UNTSO and UNMOGIP through its regular budget payments to the U.N.

We have noted already some of the U.S. reactions to U.N. Secretary-General Boutros-Ghali's proposals in *An Agenda for Peace*. These tended to be negative when it came to suggesting innovative and unorthodox methods of raising funds.

But before Bill Clinton's election to the U.S. presidency, there were signs of further movement toward strengthening the U.S. financial commitment to U.N. peacekeeping operations. The most notable step was the bill promulgated by Senator Bill Simon through the Senate at a hearing held on June 9, 1992 by the Committee on Governmental Affairs.⁶² There he suggested that the United States finance its peacekeeping contributions from the defense budget as a larger and more reliable source than the current arrangement whereby it comes out of the State Department budget (International Affairs).

In addition, proponents of this proposal correctly pointed out how much U.N. peacekeeping advanced U.S. national security interests. It remains to be seen how the Clinton administration will develop these themes.

IT MIGHT BE HARD TO KEEP THE WOLF FROM THE DOOR

The U.N. document gave the status of contributions at the end of January 1993 but did not present a pretty picture.⁶³ Put starkly, contributions for the regular budget received amounted

to \$180 million.⁶⁴ Of that amount, \$161.3 million constituted payments—or 15.1 percent—against the current years assessments. At the same time in 1992, 21.9 percent of the current year's assessment for the regular budget had been received. And this was when the U.N. was to be adopting a higher profile than before. (As explained later, this is a less dire situation, though symptomatic of U.N. members attitudes toward contribution payments, than it seems. Few peacekeeping operations are financed out of the regular budget).⁶⁵

BLEAK BUDGET POSITION

The overall position of the regular budget is characteristically bleak. The contributions payable as of January 1, 1993 (both prior and current years) totaled \$1.56 billion, but collections (in 1993) amounted to only \$180 million, leaving a shortfall of \$1.38 billion.⁶⁶ As already mentioned, because of national budgetary cycles, this can be misleading, but it is worth noting that the “saints”—those with no arrears within 30 days of receiving their assessment letters—included Australia, Canada, Denmark, Finland, Ireland, the Netherlands, New Zealand, Norway, and Sweden.

The “sinners” list is formidable. It is revealing in that, when taken with the 1993 percentage scale of assessments, it shows extraordinary discrepancies that exceed the explanations of budgetary cycles. In addition, some arrears are clearly political. Others, when it comes to rich countries, are irresponsible. At the top of a deliberately uncomprehensive list, intended to expose anomalies of assessments and current states of economies, national underlying intentions, and attitudes toward the U.N., comes the U.S. (25 percent assessment) with \$549.5 million. Following the United States are: Russia (6.71 percent) with \$149.5 million; Japan (12.45 percent) with \$127.1 million; France (6 percent) with \$61.2 million; South Africa (0.41 percent) with \$53.2 million (the reasons behind this country's arrears are exceptional and relate to political reasons for its membership having been suspended); Germany (8.93 percent) with \$45.6 million; Brazil (1.59 percent) with \$45.2 million; Italy (4.29 percent) with \$43.8 million; Britain (5.02

percent) with \$38.4 million; Ukraine (1.87 percent) with \$36.4 million; Spain (1.98 percent) with \$20.2 million; Iran (0.77 percent) with \$15.4 million; Belgium (1.06 percent) with \$10.8 million; Belarus (0.48 percent) with \$9.5 million; Saudi Arabia (0.96 percent) with \$9.8 million; Mexico (0.88 percent) with \$9 million; South Korea (0.69 percent) with \$8.1 million; China (0.77 percent) with \$7.9 million; Israel (0.23 percent) with \$6.6 million; Turkey (0.27 percent) with \$5.8 million; Libya (0.24 percent) with \$5.3 million; and India (0.36 percent) with \$3.8 million. Perhaps the most striking point is the number of those countries that have needed the U.N. for whatever purpose and have been feeble in paying their contributions.

PEACEKEEPING BUDGETS IN ARREARS

The same document showed an equally unhappy picture of almost all the peacekeeping operations funded by assessments on individual countries. For different reasons, the delinquent countries whose names come up most frequently are the U.S., Russia (and other members of the former Soviet Union), Germany, and Japan.

The given figures represent the situation at the end of January 1993:⁶⁷

- UNEF and UNDOF: outstanding \$33.1 million (chiefly Russia \$10 million, U.S. \$5.8 million, Japan \$2.1 million, Germany \$1.5 million, Ukraine \$1.2 million, and Britain \$1.1 million).
- UNIFIL: outstanding \$209.6 million (chiefly Russia \$101 million, U.S. \$43.6 million, Germany \$15.9 million, Poland \$11 million, Ukraine \$10 million, South Africa \$9.1 million, former Czechoslovakia \$4.1 million, Belarus \$3.1 million, and Iran \$2.6 million).
- UNIIMOG: a rarity in that only \$1.1 million was still outstanding.
- UNAVEM and UNAVEM II: outstanding \$37.4 million (chiefly Russia \$15 million, U.S. \$7.9 million, Japan \$3 million, and Germany \$2.2 million).
- UNTAG: found itself in the unusual position of being \$5.8 million in credit.

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- ONUCA: outstanding \$12.7 million (chiefly the Russian Federation \$6.5 million and U.S. \$3.8 million).
 - UNIKOM: outstanding \$36.6 million (chiefly Russia \$16 million, U.S. \$6.3 million, Japan \$2.4 million, Ukraine \$1.8 million, and Germany \$1.7 million).
 - MINURSO: outstanding \$20.9 million (of which Russia owed \$17 million and Morocco \$0—after all, it is making claims to the Western Sahara).
 - ONUSAL: outstanding \$14.5 million (chiefly Russia \$6.3 million, U.S. \$2.5 million, and Japan \$0.9 million).
 - UNAMIC: (advance Cambodia) outstanding \$4.8 million (chiefly Russia \$3.8 million).
 - UNTAC: outstanding \$404 million (chiefly Russia \$118.5 million, U.S. \$100.8 million, Japan \$38.8 million, Germany \$27.8 million, Britain \$19.5 million, Spain \$18 million, Ukraine \$14.5 million, Italy \$13.3 million, and Australia \$4.7 million).
 - UNPROFOR: outstanding \$281.6 million (chiefly U.S. \$93 million, Russia \$40.3 million, Japan \$37.3 million, Germany \$27.8 million, Britain \$18.6 million, Italy \$12.9 million, and Ukraine \$7.3 million).
 - UNOSOM: outstanding \$80.9 million (chiefly U.S. \$33.3 million, Japan \$13.4 million, Russia \$12 million, and Britain \$6.6 million).

“NO FUNDS—NO NEW PEACEKEEPING OPERATIONS”—AN EVER
WIDENING CHASM

To a great extent, the plangent conclusion reached by Ford’s Advisory Group had been voiced already by Boutros-Ghali, who said, “It is not realistic for us to accept any new peacekeeping operations this year (1992). We haven’t got the money, so it would be at the expense of other operations. Also our own staff is overloaded.” This was the dire view of Dr. Boutros Boutros-Ghali, the new Secretary-General of the United Nations, earlier in 1992.⁶⁸

Indeed, in his *Agenda*, Boutros-Ghali revealed the extent to which peacekeeping operations have expanded:

Thirteen peacekeeping operations were established between the years 1945 and 1987; 13 others since then. An estimated 528,000 military, police and civilian personnel had served under the flag of the United Nations until January 1992. Over 800 of them from 43 countries have died in the service of the Organization. The costs of these operations have aggregated some \$8.3 billion till 1992. The unpaid arrears toward them stand at over \$800 million, which represent a debt owed by the Organization to the troop-contributing countries.

Peacekeeping operations approved at present are estimated at close to \$3 billion in the current 12-month period, while patterns of payment are unacceptably slow. Against this, global defense expenditures at the end of the last decade had approached \$1 trillion a year, or \$2 million per minute.⁶⁹

The crucial point, which has not been registered fully, is that the United States is trying to get away with paying less for security operations than they should, at a time when they claim the U.N. is performing—for the U.S. and the world—better than ever before. This impression remains, even though President Bush said on September 21, 1992 to the United Nations that Washington was ready to support an expanded role for peacekeeping missions and to adapt the U.S. military to assist better such operations. He did not, however, promise to pay the \$733.1 million in dues and arrears that Washington owed at that moment.

The U.N. has reached an ironical near-impasse, with its role as a peacekeeper and peace enforcer expanded but severely undermined by its inability to find financing from its members at a time when its standing is higher than any time since its establishment in 1945. Addressing the National Press Club in Washington on May 13, 1992, Boutros-Ghali made the paradoxical point that “the United Nations has almost too much credibility now. So the problem is how we can maintain

this credibility and not disappoint the Member States and public opinion when they discover that maybe we cannot cope with all the problems on which they ask our help.”⁷⁰

Later it was recorded that the U.N. Secretary-General had said the world expected too much from the United Nations but did not seem prepared to pay for it.

“There are too many countries now which think only the U.N. can save their problems. We face a crisis of too much confidence,” Boutros-Ghali told students at Moscow’s elite State Institute of International Relations.⁷¹

“But at the same time the U.N. is suffering a severe financial crisis as its members fail to pay their contribution to the budget,” he added. Moreover, cumulative dues to the U.N. at that stage amounted to \$1.85 billion. The two leading debtors—the United States and Russia—respectively owed \$555 million and \$138 million.

Boutros-Ghali said the U.N.’s role had significantly increased since the Cold War had ended and that the organization had undertaken more peacekeeping missions over the last year than in its entire previous history.

U.N. forces were now deployed in Lebanon, Cambodia, Angola, and Bosnia-Herzegovina. A contingent was soon due to fly to Somalia.

Russian President Boris Yeltsin also told the U.N. chief, on an official visit to Moscow, that Russia would cover its dues by giving \$80 million to the budget in the first quarter of next year—an unlikely promise, as it turned out.

Former Soviet republics caught in a series of bloody conflicts have also put in a bid for U.N. peacekeeping efforts over the past months. But Boutros-Ghali said the U.N. would be especially cautious about involving itself in any conflicts that he said had been launched by separatist forces.

“The U.N. should not encourage the creation of micro-states,” he said.⁷² Armenia, locked in bitter fighting with neighboring Azerbaijan over the enclave of Nagorno-Karabakh, has said it would like U.N. peacekeepers to be sent to the region. Azerbaijan opposes the idea. In Moldova, Russian-speaking separatists in the self-styled Dnestr Republic have also expressed interest in a U.N. peacekeeping force.

But later events have shown that Boutros-Ghali has not been equal to his stated intentions. The evolution of events in two major operations—Cambodia and the former Yugoslavia—has demonstrated that unless there is clearer enactment of his concepts of peace enforcement, backed crucially by funding, U.N. peacekeeping operations will continue to be dangerously exposed to accusations of impotence and bad judgment and management.

THINGS FOR CONGRESS TO THINK ABOUT

The U.S. attitude toward the U.N. has been ambiguous over the decades. This has shown itself in the shortfalls in its assessed contributions to U.N. budgets. Under President Bush, there was a perceptible change of emphasis in U.S. policy. It fell short of tackling directly the issues of U.S. arrears in U.N. budgetary payments. But a letter from President Bush, dated January 19, 1993 to Thomas S. Foley, Speaker of the House of Representatives, indicated a shift in policy from which the new Clinton Administration, whatever the U.N. setbacks in the former Yugoslavia and elsewhere, is unlikely to move.

The letter made a plea for a reduction in the U.S. peacekeeping assessment from 30.4 percent to 25 percent (which would coincide with the U.S. regular budget assessment level). It recommended that peacekeeping assessment periods should be limited to no more than six months. It acknowledged: "The absence of adequate financial resources can lead to delays in initiating approved peacekeeping operations....It is hoped that the recent establishment of a revolving peacekeeping reserve fund will help" the problems of start-up costs of peacekeeping operations.⁷³

President Bush's letter puts forward the idea that the newly-established revolving reserve fund could help start new peacekeeping operations more effectively. Bush is firm in the view that, in terms of financing individual operations, Congressional authorization is crucial.

On the issue of where the funds should come from, Bush was adamant:

We firmly believe that the Department of State should continue to have the lead policy responsibility for U.N. peacekeeping. We are convinced that there must continue to be close Department of State cooperation with the Department of Defense on peacekeeping operations and increased resources devoted to this important activity in both agencies.⁷⁴

Whether the Clinton administration is prepared to go along with the State Department's leadership in terms of funding and directing U.S. contributions to peacekeeping remains to be seen.

REACTION TO THE AGENDA

The reaction to the financial aspects of Boutros-Ghali's *An Agenda for Peace* are more than negative. "The United States continues to consider ill-advised some past proposals endorsed by the Secretary-General in his report," Bush wrote.⁷⁵ These included:

- Charging interest on unpaid assessments, which would increase debts rather than provide incentive for prompt payment. The legislative and budgetary procedures of member states differ and many are not able to pay in full within the prescribed time limit.
- Suspending financial regulations and retaining budgetary surpluses. Retaining budgetary surpluses would penalize those who do pay.
- Increasing the Working Capital Fund to one-quarter of annual assessments, which would contradict the recommendation of the U.N. Joint Inspection Unit that Working Capital Funds should be about one-twelfth of annual expenditures.
- Authorizing the U.N. Secretary-General to borrow commercially would invite a lack of financial discipline, increase the obligations of the U.N. and risk creating an unmanageable financial problem later. Bush's letter notes that the U.S. is precluded by legislation from paying its

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- share of interest from external borrowing.
 - Establishing a \$1 billion Peace Endowment Fund would be unrealistic given widespread delinquencies in assessed contributions.
 - Imposing a levy on international travel and arms sales would be an unacceptable infringement on national revenue authority.

This letter is, by any account, a short-sighted reaction. The proposals put forward by both the GAO and the Ford Foundation are worth exploring. Unorthodox measures should be pursued even at the risk of breaking the mold of U.N. financing. This view should be strengthened by the facts. As illustrated in this paper, certain essential attitudes and problems have not been properly addressed since the establishment of the U.N.

It is shameful that the U.S. president of the time should be so limited in his attitude toward the role of U.N. peacekeeping. The legal technicalities of his objections may not be open to fault. But a broader issue remains, and that is whether the new administration is prepared to be active through the provision of funds toward peacekeeping operations. For some of these, the U.N. Transitional Authority in Cambodia (UNTAC) for example, U.S. participation would have been historically difficult.⁷⁶

However, the Bush letter, to the extent that it reflected State Department policy—a weak wand at the best of times on this issue—was not reflective of other developments. During 1991-1992, Congress demonstrated its support for U.N. peacekeeping.⁷⁷ U.S. contributions for the U.N. Iraq-Kuwait Observer Mission were appropriated (Public Law 102-55). Funds for U.S. contributions for U.N. peacekeeping operations and also for the portion of U.S. arrears to be paid from the fiscal year of 1992 were authorized and appropriated in 1991 (Public Law 102-138; Public Law 102-140), and additional funds were made available in 1992 for the rapidly increasing number of peacekeeping operations.

Although at odds with the Bush letter, the most encouraging initiative—in abeyance as a result of the U.S. presidential elections—was a bill before Congress, which suggested that

the U.S. finance its peacekeeping contributions from the Defense Department rather than the State Department account.⁷⁸ This source, it was suggested, would be more reliable. In addition, proponents of this proposal pointed at how much U.N. peacekeeping advanced U.S. national security interests.

A MISLEADING BLIZZARD OF PEACEKEEPING STATISTICS

A measure of how much the costs of U.N. peacekeeping operations have risen is reflected in statistics. In 1963, they amounted to \$400 million; in 1992 they were over \$2.7 billion. But to some extent these figures are misleading. The figure of \$2.7 billion can be arrived at by adding up all the theoretical allocations by the U.N. General Assembly. However, this does not account for the income and expenditures at any one time. In effect, the annual costs is actually less—by about half, but this only emphasizes the triviality of the U.N. not having sufficient funds to operate.

Sir Brian Urquhart, one of the architects of U.N. peacekeeping operations, has observed that “The U.N. will only be strengthened and become more useful and more relevant if governments are genuinely committed to the very large effort and expense which is required.”⁷⁹ However, some of the financial problems confronting the U.N. have not changed. William J. Durch, co-author with Barry M. Blechman of *Keeping the Peace: the United Nations in the Emerging World Order*,⁸⁰ pointed out that some of the U.N.’s financial problems and orthodox and unorthodox solutions sought and proposed for them had already been published in the 1960s by the Brookings Institution (Washington).⁸¹

Stoessinger in the early 1960s raised many of the problems relevant today, leaning back historically to the problems the League of Nations in the 1920s and 1930s experienced in running a budget and raising the cash for it.⁸² The League also engaged in several minor peacekeeping operations.

That author observed presciently the undertakings of the U.N. today:

The tragic financial history of the League was, of course, a symptom of its tragic political

history. The penury exhibited by the member states stemmed from the fact that nations were loath to make the League an important vehicle of their national policies. Thus, they were unwilling to invest heavily in it, and this lack of financial support...tended to relegate the organization to even greater neglect.⁸³

There are obvious differences today between the League and the U.N. But, unless it is recognized that there must be a link between the national policies that the U.N. can perform—the U.S. being one case in particular—and better and more generous financing, the U.N. runs the risk of not being able to carry out peacekeeping operations when its services have never been in such demand.

Today, the funding of the regular budget and the gathering of resources for peacekeeping operations have been ad hoc at best. But they have produced 13 operations between 1945 and 1985, the date taken to mark the end of the Cold War. The first, and some would question whether this qualified as a peacekeeping operation, was the U.N. Special Committee on the Balkans (UNSCOB), which operated between 1947 and 1951 to investigate guerrilla border crossings into Greece.

THE FULLY-FLEDGED OPERATIONS

But the first recognized fully-fledged peacekeeping force was U.N. Emergency Force I (UNEF I) despatched in November 1956 after the Suez crisis to supervise the withdrawal of Britain, France, and Israel from Egyptian territory and to serve as a subsequent buffer between Israeli and Egyptian forces.

As the U.N. Secretary-General observed in Washington, “During the last three years, we have launched 13 new operations. So in the last three years, we have done as much as had been done in the previous 45 years.” And the involvement in these operations has become deeper, more costly in human terms and complicated through Somalia, the former Yugoslavia, and Cambodia.

Some have argued that since this system with all its vagaries and imperfections has worked, it should not be tampered with. Indeed, there is a view that the U.N.'s complaints about having insufficient funds has become so repetitive that it need not be heeded. This is a convenient approach because it basically releases all those who have to consider and tackle the problem of the U.N. having inadequate funds—be they diplomats, soldiers, academics, journalists, or aid-workers—from having to think of new solutions.

But several fundamental factors have changed, and these have a distinct bearing on the financing of both the U.N. as a whole and peacekeeping operations in particular. The end of the Cold War has concluded an era in which the U.N. was used—in part—as a political football by the Superpowers. Politicking persists, especially concerning major contributors, such as the U.S., Japan, Russia, and Germany, paying their dues. However, it now has a role that is broadly seen as necessary, if not essential, for solving problems and monitoring areas of tension from Latin America to Europe to Cambodia.

Increased demand for the U.N. and its peacekeeping role also requires the supply of funds. This paper argues that the ad hoc approach toward funding needs to be changed because of the increased costs of peacekeeping and funds are shifted around between budgets.

The costs of the U.N. have risen over the years, but it could be argued that rise is slight when measured against global inflation.⁸⁴ The initial budget was \$50 million in 1946, rising to an overall annual cost of almost \$500 million in 1963. These costs comprised four elements: the regular budget, the peacekeeping operations, the special voluntary programs, and the specialized voluntary programs. Stoessinger noted that the most significant feature was the upsurge in expenditures for peace and security operations since 1956. Weighed against today's expenditures on peacekeeping, it is worth noting how much costs have not escalated. Stoessinger also noted that for the period from November 1956 to the end of 1963, the United Nations costs for UNEF I amounted to approximately \$150 million.⁸⁵

These expenditures ran initially over \$20 million a year, but since 1958 have been reduced to \$18-\$19 million.

UNEF II (1973-1979) had run into the familiar problems of cost under-runs. Siilasvuo wrote:

In his first report the Secretary-General had proposed that \$30 million would pay for the first six months. In January 1974 we were told that all this money had been used and that we could not have new vehicles, tents, tankers and other materiel till May, at the start of a new budgetary period. The total expenses of the first year amounted to \$80 million. I asked the Secretary-General why he had quoted such a small sum in the first place, although it had been widely known that it would not be enough for the needs of UNEF. The Secretary-General explained that the sum seemed, politically, more likely to be accepted.⁸⁶

It is an attitude on behalf of the U.N. bureaucracy that persists today.

The U.N. Military Operation in the Congo (ONUC) had received commitments for the military operation there of approximately \$400 million by the end of 1963. Today the cost of peacekeeping has risen to a rough annualized cost of over \$2.7 billion for 1991-1992.

Some of these operations are far from being recent creations. UNTSO, the U.N. Truce Supervision Organization, was set up in June 1948 to monitor the Arab-Israeli truce after the Palestine war. It costs the U.N. about \$31 million per year to run. UNMOGIP, the U.N. Military Observer Group in India and Pakistan, supervising the cease-fire in Jammu and Kashmir, was established in January 1949, and costs about \$5 million annually. UNFICYP, the U.N. Peacekeeping Force in Cyprus, started in March 1964, and costs about \$31 million per year.

As an illustration of the way costs have risen, UNTAC, the U.N. Transitional Authority in Cambodia, set up in March 1992, could cost the U.N. over 15 months \$1.9 billion, accord-

ing to figures prepared by the Communications and Project Management Division, Department of Public Information.⁸⁷

To cope with the escalation in demand and costs, further streamlining and restructuring of the U.N. will be needed beyond that which Boutros-Ghali has embarked on. Such moves also would reinforce the credibility of the U.N.

In turn, this might encourage the U.S. administration to fulfill its own commitment—as the major assessed contributor to U.N. budgets—by paying off arrears, keeping up with current payments, and encouraging political leadership both within the U.S. and in smaller members of the U.N. that this organization is worth investing in.

A third strand, worth pursuing but controversial because it runs against the tradition of the collective responsibility of the membership of the U.N., is the raising of funds outside the accepted methods of country assessments and voluntary national contributions. These could include, as various reports over the last six months have hinted, funding by international companies, pledging sessions that some U.N. agencies already use, raising money on the international capital markets, and taxes on arms sales and defense budgets. There are patent drawbacks to any of these proposals—not least enforceability.

But the next few years are bound to see an increasing gap between the U.N.'s ability to raise money and carry out the global second generation of peacekeeping ambitions that are demanded. These are unconventional times for the U.N., making it imperative that unconventional means for financing costs—in tandem with conventional methods—should be explored and, if possible, used. For during this uncertain period, it is hoped that the U.S. will show sufficient political leadership to convince Congress that the U.N. is worth investing in fully. Unfortunately, Russia's economy is unlikely to be better placed to make its own contributions. Indeed, they will be reduced because of the disintegration of the former Soviet Union. With this will come a reassessment of its contribution to both the formal U.N. budget and the peacekeeping operations.

There also may be established in this period a clearer concept of the size of the contributions of Germany and Japan, and how this might be reflected in terms of their role on the

U.N. Security Council. Both aspire to become permanent members, but this also raises the issue as to whether developing countries such as India, Brazil, Egypt, or Nigeria should also be considered for that status. However, from the narrow angle of funding of both regular and peacekeeping budgets, all of these countries would have problems in matching financially the political status they aspire to.

THE SUMS AND BUDGETS

The budgets of the U.N. have expanded considerably, but it should be clear that there are basically two budgets—the regular budget and the peacekeeping budget. There is also funding raised outside the regular budget for specialized U.N. agencies by voluntary contributions—a technique that in many ways might be profitably imitated by the peacekeepers.

Sir Brian Urquhart defined peacekeepers and peacekeeping as follows:

The principles underlying our wide ranging peacekeeping operations have been relatively simple. They must have broad political support and a broad base in the world community. Force can be used only in self defense and therefore our peacekeeping forces are lightly armed. Our peacekeepers must remain above the conflict and they must never become part of it. Their aim should be to secure the cessation of hostilities and the maintenance of peace between conflicting forces and to that end they should provide the pretext for peaceful conduct and the atmosphere for negotiation. They must have the cooperation of all parties however grudging.⁸⁸

Johan Joergen Holst, formerly Norway's defense minister, took this a stage further:

Until now, peacekeeping has very infrequently involved enforcement and punishment. How-

ever, elements have emerged in previous operations and further moves in this direction cannot be excluded.

Peacekeeping forces will be mandated to undertake a series of specific missions using the unique techniques of peacekeeping. The following types of missions may be distinguished:

- Observation of relevant activity in the area of operations;
- Reporting of events in the area of operations;
- Prevention of incursion by people and equipment into the area of operations;
- Supervision of implementation of agreements inside the area of operations;
- Disarmament of contestants in the area of operations;
- Decompression of accumulated tensions in the areas of operations, principally through reassuring presence.⁸⁹

For the purposes of this chapter, the words are used in their broadest senses, incorporating the more traditional concepts and what has become known as second generation peacekeeping, involving both peace enforcing (and thereby the use of aggressive rather than responsive but defensive force) and humanitarian aid. Some long-standing U.N. aficionados disagree with the generational distinction, arguing, for example, that ONUC between July 1960 and June 1964 already contained many of the military and civilian aid features that are promoted as new. The point could be made that the first U.N. peace enforcing operation was the 1950-53 Korean War.⁹⁰

FACTS AND MONEY

The fact remains that the demands for and costs of *peacekeeping* in the 1990s have increased considerably since those times. Lefever wrote:

The financing of U.N. peacekeeping operations involving military forces is not fundamentally an economic or legal problem, but rather a political problem. If there were sufficient political consensus for supporting a given effort, there would be no serious monetary questions.⁹¹

Stoessinger, for example, went into considerable detail about such subjects as the Bond issue, the enlargement of reserve and emergency funds, the problem of cost apportionment, improvement of the voluntary programs, and the role of private, nongovernmental support and its extent and place. He also took a similar view to that of Lefever, starting his book:

Never have so many argued so much about so little money as in the United Nations. The reason is that the financial problem of the United Nations is, in reality, a political problem. The financial crisis is first a political crisis over the proper role the United Nations is to play in the national politics of its member states. Only secondarily is it a crisis over the financial burdens of membership in the Organization.⁹²

Indeed, he raised the point in the context of nongovernmental funding that: “A financially independent United Nations would be able to function on the basis of the consent of states, without requiring their active support. Mere acquiescence would amount to a vote for, not against, a program.”⁹³

But he did go on to express reservations about the desirability of a financially independent world body.⁹⁴ Familiar themes emerge as he looked at the U.N.’s predecessor, the League of Nations. “Arrears constantly plagued the League. A Working Capital Fund was established to help liquidate obligations as they arose. But the fund was often exhausted.” It engaged in some minor peacekeeping operations but, interestingly, “The fiscal principle governing these operations was that of direct benefit—the states profiting from the peacekeep-

ing operations were expected to pay for them”⁹⁵—a principle which was applied, exceptionally, to the Gulf War after Iraq’s invasion of Kuwait.

Stoessinger identified two fields that may be roughly defined as the political and security and the economic and social areas. The Organization (U.N.) has in fact ventured into both realms, and the central questions for the future are whether and how far it should continue to move. Expensiveness is a relative concept, as is political sensitivity. Nevertheless, it was clear that the present (and omnipresent) financial crisis of the United Nations is the direct result of the U.N.’s involvement in large-scale, relatively expensive, and politically contentious executive activities.⁹⁶

He then proposed that the U.N. never again should be given assignments similar to those in the Middle East and the Congo—a prescient view, given what is occurring now elsewhere in the world. He pointed out that “a financial crisis does not mean that the United Nations has gone too far; it means that resources must be found for equipping the Organization to continue and even deepen its probes in the area beyond the limits of minimal (political) consensus.”⁹⁷

Looking at his views nearly 30 years later, one might conclude that he may have been partially incorrect in terms of the size of U.N. commitments, but his argument overall stands up, even though it may not help persuade assessed contributors to carry out their obligations. He wrote:

In the literal sense, there is no financial crisis in the United Nations with respect to economic and social operations. That is to say, the Organization has not become involved in spending money that it does not have; it has not incurred financial obligations that it appears incapable of meeting; it has not been embarrassed by a rash of delinquencies on the part of members. In a different but more basic sense, however, there is a financial crisis in this realm. The Organization may be able to meet its commitments, but it cannot meet the needs and opportunities with which it is con-

fronted; the crisis, in short, is that of inadequate budget rather than the unbalanced budget. The problem lies not in excessive delinquencies, but in too meager commitments.⁹⁸

The sources for U.N. funding are threefold: for the regular budget percentage assessments on member states; for peacekeeping operations somewhat different percentage assessments; and voluntary contributions—a system which has been applied both to peacekeeping operations and to individual U.N. agencies.

This paper focuses on the financing of peacekeeping operations. But as should become apparent, the complex—and frequently hand-to-mouth—nature of the U.N. budgets and other sources of finance makes their clear separation and definition almost impossible.

U.N. Secretariat officials and representatives of member states do not contradict this. There have been occasions, because of shortfalls in income that are assessed on countries due mainly to national budgetary cycles and do not coincide with the U.N.'s biennial calendar fiscal year and arrears in contribution payments, when peacekeeping funds have been withdrawn to keep the regular budget solvent—and vice versa.

On May 15, 1992, the U.N. Secretary-General issued a report on "The Financial Situation of the United Nations." This bears comparison with the assessments mentioned earlier. It makes disturbing reading and is worth quoting extensively as it illustrates vividly the overall financial situation, which the report describes as remaining "extremely precarious. The cause of the problem is the continuing failure of Member States to pay their assessed contributions, whether for the regular budget or for peacekeeping operations, in full and on time. At April 30, 1992, unpaid assessed contributions totaled \$1,898.7 million."⁹⁹ This sum was almost double the size of outstanding contributions at the end of October 1991, which then amounted to \$988.1 million.

The top ten countries with outstanding contributions at the end of April 1992 were the United States with \$863.3 million (\$555 million for the regular budget and \$308.3 for

peacekeeping); Russia \$341.3 million (\$138.1 million and \$203.2 million); Japan \$158 million (\$115.7 million and \$42.3 million); Germany \$103 million (\$43.5 million and \$59.5 million); South Africa \$68.3 million (\$49 million and \$19.3 million); Ukraine \$37.7 million (\$17.3 million and \$20.4 million); Brazil \$36.7 million (\$33.5 million and \$3.2 million); France \$25.1 million (only peacekeeping); Argentina \$17.8 million (\$16.4 million and \$1.4 million); and Iran \$17.8 million (\$13.4 million and \$4.4 million).

The position U.S. debt had improved by early September.¹⁰⁰ Outstanding U.S. peacekeeping contributions totaled \$208.8 million (mainly to UNTAC \$132.6 million; and UNIFIL \$65.4 million). The arrears for the regular budget were \$524.4 million.

At the end of 1991, unpaid assessed contributions to the regular budget totaled \$439.4 million. On January 1, 1992, following the adoption by the General Assembly of the program budget for the biennium 1992-1993, there were additional assessments of \$1,037.5 million.

Returning to details of the status of contributions to the regular budget as of April 30, 1992, the report notes that unpaid contributions to the regular budget contributions totaled over \$1 billion, of which \$416 million was outstanding for 1991 and earlier, and \$677.4 million related to 1992. It observes wryly, "The amount outstanding is the equivalent of 105 percent of the regular budget assessment for 1992. Put another way, on April 30, only 34.7 percent of the 1992 regular budget assessments had been paid."

The U.S. has been ostensibly both on the offensive and defensive about their payments. John R. Bolton, assistant secretary of state at the Bureau for International Organization Affairs acknowledged, as others have, on March 25, 1992:

The last two years have seen an explosion in U.N. peacekeeping and peacemaking activities. Since last April alone, the Security Council has created new peacekeeping missions in the Persian Gulf, the Western Sahara, El Salvador, Cambodia, and Yugoslavia. Indeed, the last four years have seen the creation of

more new U.N. peacekeeping operations than had been undertaken in the previous 43 years of the organization's History.¹⁰¹

He recognized that, with the ending of the Cold War, the context within which the U.N. could now operate was profoundly different.

But, he said, "Some changes have, however, been pernicious, and have led to the open expression of long pent-up hatreds. In varying degrees, these regional conflicts damage U.S. interests and impact on our national security."¹⁰²

Bolton's comments on peacekeeping costs are interesting but do not reflect accurately U.S. practical commitment to contributions. He said:

Strong support of U.N. peacekeeping activities has long been a basic tenet of U.S. foreign policy. We must ensure the U.N. has the wherewithal to accomplish its very important mandate. The lack of adequate and timely financing for new and existing peacekeeping operations will pose serious problems for the U.N. and for the U.S. leadership in the U.N.

We have requested a FY (fiscal year) 1992 budget amendment totaling \$350 million in the Foreign Assistance Bill to meet FY 1991 and 1992 unfunded requirements for the U.N. Iraq/Kuwait Observer Mission (UNIKOM), the U.N. Angola Verification Mission (UNAVEM II), the U.N. Mission in Western Sahara (MINURSO), and the U.N. Advance Mission in Cambodia (UNAMIC). Also included in this request is the initial funding for the U.N. Observer Mission in El Salvador (ONUSAL), the U.N. Transitional Authority in Cambodia (UNTAC) and the U.N. Protection Force in Yugoslavia (UNPROFOR).

For fiscal year 1993, the administration has asked for \$350 million to meet new and anticipated peacekeeping requirements.¹⁰³

U.S.—BOTH OFFENSIVE AND DEFENSIVE

Since Bolton spoke, domestic political issues connected with the presidential and congressional elections in November have distorted and sometimes made irrelevant concern about the U.N. But he protested—and the U.S. still has to put its money where its mouth is:

While the costs are expanding rapidly, U.N. peacekeeping remains one of the best bargains there is with respect to the maintenance of world peace. Obviously, the amounts which the world spends on U.N. peacekeeping are only the minutest fraction of what the world spends on armaments.

U.N. peacekeeping serves U.S. national security interests. Peacekeeping helps prevent regional conflicts from expanding and directly threatening U.S. interests.¹⁰⁴

But a crucial factor is that the U.S. is slow to pay its arrears. On payments, Bolton said:

Let me assure you that we are examining the question of whether there is any honorable and equitable way to adjust the percentage that we pay of U.N. peacekeeping costs. We cannot escape the fact that our economy is more than twice as large as that of any other nation; we cannot deny that we are the world's only remaining superpower; we cannot escape the reality that our overseas interests are broader and more compelling than those of any other country. Still, within those parameters, we will fight to ensure that the U.S.

share of U.N. peacekeeping is kept to an absolute minimum. To me, for the United States to continue to pay 30.4 percent of the total cost of U.N. peacekeeping does seem excessive.¹⁰⁵

This is a highly debatable point, and the question of assessments is discussed below.

Since then, the Congressional Research Service and another update on September 9 showed U.N. peacekeeping operations with outstanding U.S. debts at \$524.4 million.¹⁰⁶ This was out of a total of outstanding debts by contributing members of \$877 million.¹⁰⁷ Accumulated unpaid contributions overall had reached at the end of August more than \$1.5 billion—the leading defaulter was the U.S. with \$733 million, Russia \$420 million, and South Africa \$71 million.¹⁰⁸

THE DILEMMAS OF THE ASSESSMENT

The reference to assessments highlights one source of the U.N.'s funding problems. It should be emphasized that although the system can appear to be unwieldy, arcane, and occasionally unfair, it is based on efforts to ask each member state to pay according to its financial capacities.¹⁰⁹

The U.N. Charter in Article 17, paragraph 2 provides: "The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly." The apportionment of expenses is normally made on the basis of a scale of assessments, approved by the Assembly on the advice of the Committee on Contributions, a group of experts elected by the Assembly. Each member state is assessed on the basis of its capacity to pay, which is measured by such factors as population, Gross Domestic Product (GDP), per capita Gross National Product (GNP), external debt, and, as will become clear, some political factors.

The GAO¹¹⁰ has set out the guidelines for the scale of regular budget country-by-country assessments of contributions to the regular budget.¹¹¹ The regular budget scale uses capacity to pay as its fundamental principle and is revised every 3 years by the U.N.'s Committee on Contributions. It is the underlying basis for apportioning peacekeeping expenses

to U.N. member countries, whose percentages are different from those for the regular budget.

The GAO, basing its summary on an internal document prepared by the U.S. mission to the U.N., pinpointed various elements that are taken into account when an assessment for a regular budget country payment is made. It makes no mention of the crucial but undefinable political input in assessing what percentage a given country should contribute.

It summarizes 11 points:

- Computations are based on data submitted by member countries to the U.N. Statistical Office in response to an annual questionnaire. The relevant data are then provided to a Committee on Contributions (a body of experts selected by the General Assembly to implement the methodology of budgetary assessments and to make recommendations on refining this methodology). This committee prepares the actual scale of assessments.
- A 10-year statistical base period is used in calculating data. Other base periods (principally 3 years) have been used, but the 10-year base period is judged to smooth out excessive variations. (This approach has come under increasing criticism both from highly-industrialized countries and those vulnerable to the price fluctuations of commodities against a background of global recession).
- The scale for market economies is computed by making certain adjustments to member countries' GDP and converting the result into U.S. dollars to arrive at national income.
- For centrally-planned economies, the scale is calculated by making a series of adjustments to net material product (GDP minus certain services) and converting the result into U.S. dollars to yield national income.
- International Monetary Fund rates of exchange are used for all IMF members. The U.N.'s operational rate of exchange is used for most other countries.
- The relative proportion of each country's national income to total member national income is then calcu-

lated to two decimal places. This is the so-called “machine scale.” The U.S. figure is 27.59. The U.S. has argued that since the assessment scale was set up the relative position of certain countries has changed.¹¹² In 1970, for example, the GNP of the U.S. represented about 31.7 percent of the total GNP of all countries, whereas by 1989 the U.S. share had declined to 25.4 percent. (While drawing attention to this point and the implication that the U.S. percentage share of both general budget and peacekeeping budget assessments might be calculated downwards, Washington remains keen to maintain a key influence on U.N. operations as a whole—and budgets’ most influential linchpin.)

- National income (the machine scale) is then adjusted for external debt. The debt adjustment is applied only for countries with per capita income below \$6,000. The relative scale is reduced for those countries receiving the adjustment and increased for all others. Currently, the U.S. figure is 27.83.
- The figures are then adjusted to take into account lower capita income. An adjustment is made for countries whose per capita income is below \$2,600 (the mean world per capita income figure). Those countries receive an adjustment equal to 85 percent of the proportional difference between their per capita income and \$2,600. The total cost of relief granted under this formula is then apportioned on a pro rata basis among those countries not receiving this relief. The U.S. figure now becomes 30.65.
- All countries, regardless of their national income, must pay at least 0.01 percent. An adjustment is then made for those countries whose national income is below this figure. The total is then apportioned among the remaining countries on a pro rata basis. At this point, the U.S. figure is reduced to 30.51.
- No country may pay more than 25 percent of the U.N.’s regular budget expenses. The U.S. is the only country whose computed scale exceeds 25 percent. However, because of the ceiling, the U.S. assessment is reduced to 25 percent and other countries’ figures

-
- are adjusted upwards on a pro rata basis.
- The assessment computations include mechanisms for minimizing variations in assessment rates from one scale period to another and for making ad hoc adjustments to mitigate unforeseen circumstances and hardships. There is a regular budget and another for peacekeeping operations. The former is worked out by the Committee on Contributions every three years and approved by the General Assembly, traditionally at the end of the session, along with the budget for the succeeding year. For the richer 50 percent of U.N. members, assessments are almost exactly proportional to GNP. For the others, there are complex offsets for low per capita GNP and external debt. There is also a ceiling rate (25 percent of the regular budget, paid by the U.S.), and a floor rate (0.01 percent, paid by 84 smallest and poorest members, according to the 1992 scale of assessments).¹¹³

Stoessinger illustrates how much contributions under assessment have changed. In terms of the percentage of contributions in 1961, the U.S. provided 46.91 percent; the U.K. 8.778 percent; the USSR 8.249; France 4.943; and Canada 3.844. On the regular budget assessment sale 1962-1963, the U.S. contribution was to be 32.02 percent; the U.K. 7.58; USSR 14.97; France 5.94; and Canada 3.12.¹¹⁴

But today, in addition, there are two mechanisms that keep rates from shifting much from year to year. The first is the *base period*, which has changed over the years from three years (1954-1977), to seven in 1978, and to ten years since 1983. The aim is to smooth out abrupt changes in national income due to fluctuations in exchange rates and resources prices, including crude oil.

The second, the *scheme of limits*, was introduced in 1981 as a further restraint on changes in assessment rates. The rates of those countries paying for at least five percent of the U.N. budget may change no more than 0.75 percent annually. In 1992, those in this category were the U.S. with 25 percent; Japan 12.45; Russia 9.41 (in General Assembly Resolution 46/221 A, the assessment rates of Estonia, Latvia, and Lithuania

are to be determined by the Committee of Contributions and deducted from the Russian rate, which is likely nevertheless to remain above 5 percent); Germany 8.93 percent; France 6 percent; and Britain 5.02 percent.

The rates of the 84 states contributing the least may not change at all, unless the General Assembly revises its policy. At the end of 1991, the General Assembly agreed in principle to phase out the scheme of limits, but at the same time to keep the lowest contribution level fixed at 0.01 percent.¹¹⁵

As Mills recorded:

Under the Financial Regulations and Rules of the United Nations, Member States have the legal obligation to pay their assessed contributions, whether for the regular budget or for peacekeeping operations assessed on a special basis, in full within thirty days of receipt of a letter from the Secretary-General informing them of their assessment. Throughout the Organization's history, however, most Member States have not fulfilled that legal obligation, either in terms of the completeness or the timeliness of their payments.¹¹⁶

Under Article 19 of the Charter, a member state in arrears loses its vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from the preceding two full years. In practice, devices have been found to avoid applying this sanction, with the inevitable result that this threat of applying Article 19 has had only a marginal defect in pushing non-paying member states into payment.

Partly as a result of this, the U.N. Secretary-General's report lists only 15 countries that had paid in full by the end of January 1992. These including only France from those countries contributing more than an assessed 5 percent. In addition, 24 had paid in full by April 30 (including Britain), and 26 others who had paid something toward the current year's assessment (among them Germany and Japan).¹¹⁷ This left Russia and the United States among "member states that have paid

something toward arrears in 1992.” It noted:

124 Member States had failed to meet their statutory financial obligations to the Organization. Of these, 74 Member States owed more than their current year’s assessment. Moreover, 65 Member States had made no payment at all for the regular budget by the end of April.¹¹⁸

In the past, the patchiness of payments by the large contributors, especially during the Cold War, was on occasion attributable to political motives. This might still occur on a minor level. But more serious is the internal political attitude of a country such as the U.S. toward the U.N., although this is changing as will be explained later. Russia’s attitude has changed, but with its economy in chaos, it finds itself hard pressed to do more than contemplate token contributions.

THE BUDGET CYCLE

An equally serious problem for the planning and execution of the U.N.’s budget is that its January-to-December fiscal year cycle does not always coincide with those of contributing members. One suggestion to be explored later is the establishment of a large contingency fund to be continually replenished. This would go toward protecting the U.N. against uneven and often unpredictable cycles of funding inflows.

Durch and Blechman illustrated this point with the example of the U.S., which since 1981 has budgeted its regular U.N. dues a year later than the due date.¹¹⁹ In this way, the fiscal 1992 U.S. budget, passed in October 1991, contained money for the U.S. calendar year 1991 U.N. obligations. The U.S. paid these funds to the U.N. in two parts—\$223 million in October and \$79 million on December 31. This kind of disharmony between U.N. and U.S. budgetary years also exposes an anomaly, such as the case where the U.S. made allocations for a peacekeeping operation—the U.N. Transition Assistance Group in Namibia (UNTAG) which lasted between April 1989 and March 1990—after the mission had been completed.¹²⁰

Only two currently operational peacekeeping missions have been financed from the U.N. regular budget assessments on member states. The first two, UNTSO and UNMOGIP were established in June 1948 and January 1949, at a time when, as Mills observed, “the United Nations regular budget was, for all practical purposes, the only method in use at the time to finance the activities of the Organization.”¹²¹ The annual cost of UNTSO is approximately \$31 million and that of UNMOGIP \$5 million.¹²²

In addition, four smaller operations, all now ended, were funded in a similar way: U.N. India-Pakistan Observer Mission (UNIPOM); U.N. Observer Group in Lebanon (UNOGIL); Mission of the Representative of the Secretary-General in the Dominican Republic (DOMREP); and U.N. Good Offices Mission in Afghanistan and Pakistan (UNGOMAP).¹²³ UNFICYP falls into another financing category. Since it came into being in 1964, it has been funded by voluntary contributions from over 70 countries. These are the U.S. and U.K., followed by Germany, Greece, and Norway, which bear the brunt of voluntary contributions overall.¹²⁴

Two other operations were financed by the two parties directly concerned at no expense to the U.N.: the U.N. Temporary Executive Authority/U.N. Security Force in West New Guinea (UNTEA/UNSF) by Indonesia and the Netherlands (1962-1963) at over \$20 million; and the U.N. Yemen Observation Mission (UNYOM) by Saudi Arabia and Egypt (1963-1964)—a mere \$400,000 in costs.

The remaining current U.N. peacekeeping operations are financed from their own separate accounts on the basis of legally binding assessments on all member states.

The history of the efforts by the U.N. to arrive at an equitable and practical way of financing U.N. peacekeeping operations has been succinctly chronicled by Mills. She writes, “From 1956...Member States have attempted, largely without success, to reach consensus on the issue of how expenses for peacekeeping should be met and apportioned.”¹²⁵

The alternatives ranged from using the regular budget; to meeting the costs outside the regular budget, but by apportioning them on the basis of regular assessments (as was used initially for UNEF I); to using variants of regular assessments

for part of the costs and sliding scales, shifting the financial burden from the poorer countries; and to voluntary contributions—as used only once in the UNFICYP case.

In 1973, the General Assembly adopted a resolution on the financing of UNEF II, which became the model for all later operations except UNGOMAP. General Assembly Resolution 3101 (XXVIII), December 11, 1973 asked the Secretary General to set up a special account outside the regular budget to cover the costs of the force. For the purpose of peacekeeping assessments, the member states were divided into four categories. Reflecting their political clout of the veto in the Security Council, the five permanent members pay a higher percentage as Group A. They pay roughly 22 percent more for peacekeeping costs than if peacekeeping were assessed using the scale for the regular budget. For 1992-1994, as a comparison between regular and peacekeeping budgets, the U.S. pays 25 and 30.39 percent; Russia 9.41 and 11.44 percent; France 6 and 7.29 percent; Britain 5.02 and 6.10 percent; and China 0.77 and 0.94 percent.¹²⁶

Included in Group B are economically developed member states that are not permanent members of the Security Council. They are assessed at the same rate as for the regular budget. The peacekeeping rate for economically less developed states, which comprise Group C, is estimated at one-fifth of the regular budget assessment rate. The rate for the poorest countries—Group D—falls to one tenth of their regular assessment (or 0.001 percent).

The main effect—beyond increasing the charges on the five permanent members—has been to reduce the burden of dollar costs born by Groups C and D. Since 1973, there have been some slight changes, but Mills noted that the basic arrangements remain.¹²⁷ Using the assessments for the U.N. Transition Assistance Group in Namibia (UNTAG: duration of operations 1989-1990) and membership of the U.N. at the time (compared with assessments for the regular budget in parentheses), she shows that the proportions were: Group A (5 members) 57.69 percent (46.89 percent); Group B (22 members) 39.67 (39.67); Group C (85 members) 2.59 (12.96); and Group D (47 members) 0.05 (0.48).

The remarkable rise in the number of peacekeeping operations and the accompanying costs have raised the level of the continuing debate that the groups for assessments should be revised and that contributions of equipment and voluntary cash should be subtracted from the full sum of a peacekeeping assessment.

The GAO has undertaken since 1969 a number of reviews of U.S. participation in international organizations.¹²⁸ It referred to it in a June 1977 report, pointing out the problem of inadequate leadership and the diffusion of responsibility and authority in executive branch activities that relate to U.S. participation in international organizations.

Durch and Blechman pointed out some anomalies in the assignment of states to Group C, especially fifteen states with per capita GNPs of \$5,000 or more.¹²⁹ These range from the United Arab Emirates (\$18,000) to Oman (\$5,200), and besides these oil producers include such others as Kuwait, Brunei, Bahrein, Saudi Arabia, and Libya. The authors point to differences revealed in assessment data at the end of 1991 between Saudi Arabia's 1.02 percent regular assessment and its 0.204 peacekeeping assessment; Israel's 0.21 and 0.042 percentages; Greece's 0.40 and 0.080 percentages; or Libya's 0.28 and 0.056 percentages.¹³⁰

They argued that as a matter of equity it would be desirable as they, "it would seem, could readily afford to make a full contribution to the U.N.'s peacekeeping accounts." They calculated that the 15 shifting to Group B would have the effect of raising its share of peacekeeping costs by two percent—to roughly 43 percent. Group A's share would fall two percent, to about 55 percent. Group C's share would drop one-half percent, to less than two percent. These are the kind of recalculations that may not involve large percentage points and concern countries with primarily small populations, but should be considered in any review of the peacekeeping assessment system.

In the past, while anomalies have been recognized, the fear of disturbing political compromises has triumphed over even marginal changes. And although these calculations make interesting reading, it is questionable as to what fundamental effect the change of status of the countries named would have

on the reorganization of budgetary assessments.

Predictably, that part of the U.N. Secretary-General's report dealing with the payment of assessed contributions to peacekeeping operations is as disturbing as that on the regular budget funding. For the nine operations being financed by assessed contributions (in addition to \$18.5 million outstanding for the accounts still open for the four recently-completed operations of UNIIMOG, UNAVEM I, and ONUCA, the U.N. Observer Group in Central America), the total outstanding contributions on April 30, 1992 amounted to \$805.3 million.

He recited a familiar tale:

On average, only 36.3 percent of the first assessment for newly established peacekeeping operations is paid at the end of three months, and only 56.8 percent is paid at the end of six months. Such a pattern, if repeated for the most recent and the new operations, could place them in serious jeopardy.¹³¹

The outstanding contributions (with a percentage of assessed contributions unpaid) vary: UNDOF, including assessments for UNEF II, 1974-1980, was still lacking \$17.2 million (4 percent); UNIFIL \$281.7 million (14 percent); UNAVEM (including assessments for UNAVEM I) \$31.7 million (29 percent); UNIKOM \$17.9 million (19 percent); MINURSO \$53.3 million (38 percent); ONUSAL \$6.2 million (47 percent); UNAMIC \$20.8 million (62 percent); UNTAC \$118.4 million (59 percent); and UNPROFOR \$240.6 million (96 percent).

It is perhaps worth recalling the countries with the main arrears—at that time—in contributing to peacekeeping: the U.S. \$308.3 million; Russia \$203.2 million; Germany \$59.5 million; Japan \$42.3 million; France \$25.1 million; and Ukraine \$20.4 million. These six countries alone accounted for 81.8 percent of the peacekeeping arrears.

The Secretary-General sums up his gloomy report by pointing out that because of the arrears in payments, throughout 1991 it had been necessary to draw on the reserves of the organization to meet current operating requirements.

Furthermore, from mid-August until mid-October, and intermittently thereafter until the end of the year, funds were borrowed from the few peacekeeping operations that had more cash than their immediate requirements to meet both regular budget obligations and the cash requirements of other new peacekeeping operations. Short-term loans between certain peacekeeping accounts continued to be necessary in 1992 to cover daily operational requirements. These short-term borrowing mechanisms are “manifestly inadequate,” particularly in the face of more operations and those of the size of UNTAC.

It is evident that a major solution to the U.N.’s budgetary problems would be a prompt payment of arrears by member states.

SOME OTHER EXISTING SOURCES OF FUNDING

Against this background of non-payment of arrears and the long-held view that the U.N. has always succeeded in muddling through on a hand-to-mouth basis, several schemes have been tried to supplement the assessed incomes, as has been mentioned earlier. It must be emphasized that the Secretary-General himself has limited access to funds at his direct disposal in emergencies. The General Assembly authorized the Secretary-General on December 20, 1991 without a vote “to enter into commitments in the biennium 1992-1993 to meet unforeseen and extraordinary expenses arising either during or subsequent to that biennium.”¹³² This was in effect without recourse to the General Assembly or the key ACABQ, amounting to \$3 million. Between that and \$10 million, he has to obtain the approval of the ACABQ, which is the standing budget review unit of the General Assembly’s Fifth, or Financial Committee. With the increase in U.N. peacekeeping activity and demands for its involvement worldwide, this is clearly inadequate and needs to be expanded.

The first major funding crisis occurred in 1961 over UNEF in Sinai and ONUC in the Congo, precipitated by France and the Soviet Union, who refused to pay their shares of peacekeeping costs.¹³³ At the end of 1961, after the Secretary-General warned the organization that bankruptcy was imminent, the

General Assembly found a temporary solution to the crisis. It authorized the Secretary-General to issue bonds, starting in 1962, up to \$200 million and to use the proceeds to cover the U.N.'s cash requirements, essentially those of peacekeeping operations. Some \$169 million-worth of the bonds were purchased (half by the U.S.) and the interest (at 2 percent) and principal of the bonds were repaid over a 25-year period, beginning in 1963, through the inclusion of provisions for that purpose in the U.N. regular budget.

The bond issue kept the organization and its two major peacekeeping operations going for two years (but it provoked a subsidiary crisis because some members began to withhold a portion of their assessed contributions to the regular budget, amounting to what they thought represented their proportionate share of the bond issue repayment). This exact form of financing experiment has not been tried again, although the Secretary-General has periodically sought and been denied borrowing authority in recent years.

Another mechanism, established in 1947, enabled the organization to meet the running costs of the organization until sufficient assessed contributions had arrived. Its initial capital was \$20 million, raised in 1982 to \$100 million, but has been run down regularly. It was designed as a form of cash reserve to meet day-to-day expenditures. It was also intended to be used to meet unforeseen and extraordinary expenses, such as those for peacekeeping operations not previously covered, until the General Assembly could convene and decide how such expenses should be met.¹³⁴

Stoessinger also discusses in considerable detail the issues of voluntary contributions, not least in the face of the sharply mounting magnitude even then of peacekeeping operations since 1957.¹³⁵

A further instrument for covering cash shortfalls was the Special Account, which the General Assembly asked the Secretary General to set up in 1965 and again in 1972. The member states were encouraged to make voluntary contributions to get around the problem of countries that had withheld their assessments for peacekeeping operations. Initially, substantial contributions were made to the Special Account, a portion of which was used to finance the costs of UNEF in 1965.

Contributions have been sporadic over the years, but interest accumulated on contributions had the Special Account's resources recorded at \$122 million by June 30, 1989.¹³⁶ But these, like those of the Working Capital Fund, have been reduced over the years because the Secretary General has been forced to use both for the same purpose—as reserves to be drawn on to meet day-to-day cash commitments.

TRUST FUNDS

In August 1989, a Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities—also of a voluntary contributions nature—was established with the intention of helping to provide short-term financing, where necessary, for the preliminary implementation and start-up operations. Japan has been the main contributor and force behind this fund, which contained in May 1992 about \$8 million. In theory, it is to be reimbursed, after funds have been used, by member states paying their assessments.

In August 1990, the Trust Fund for the Cambodian Peace Process was established to support the Secretary-General's efforts in this area. It was intended to be used to finance fact-finding missions and the initial expenditures incurred by a decision to establish an operation in Cambodia until such time as the General Assembly approves the financing. The funding hoped for was about \$5 million.

The reasons for recourse to Trust Funds are clear. Beyond the general paucity of budgetary finance, there is the growing determination of the Secretary-General to acquire the funds to begin peacekeeping operations as swiftly as possible, even if it means reducing the initial control of the Security Council and the General Assembly over his initiatives.

The Secretary-General has the legal authority to establish such funds under Article 6.6 of the U.N. financial regulations. They are to be established on the basis of bilateral accords to receive voluntary contributions to finance either technical cooperation activities or any other activity coming under the regular budget of the U.N. They also may be established outside the program budget, and therefore outside the control of the General Assembly (ACABQ are informed of the funds'

details later). The creation of the regulations smack of being another example of financial improvisation. However, they are useful in offsetting short-term cash flow problems until the Security Council and General Assembly have approved operational mandates and funding, and enable the Secretary-General to move more swiftly than the \$3 million limit on his personal discretionary budget permits. The intent is to discuss ways of formalizing this kind of procedure in a single fund—but not excluding other means of the U.N.’s key budgets.

Finally, late in 1991, the then Secretary-General called for the establishment of a \$1 billion Peace Endowment Fund, with roughly one third of the money to be provided by governments, and, interestingly, with the remainder to be provided from the private sector.¹³⁷ Stoessinger noted that in the nineteenth century several “public international unions” set up and dealt with a range of services from mail delivery to refrigeration. The unions depended on subscription, not just from governments but also from private individuals and institutions. “These early unions were pioneers in the process of international organization. Their financing patterns and methods of cost sharing influenced the framers of the League of Nations Covenant and of the United Nations Charter.”¹³⁸

BOUTROS-GHALI’S FIRST REPORT

Boutros-Ghali in his *Annual Report* (September 11, 1992, A/47/1) took up some of these issues. He re-aired the theme that the United Nations could not afford to become a victim of its own popularity, suffering from a crisis of expectations rather than, as in the past, from a lack of credibility in its capacity to command consensus. The U.N.’s financial insecurity was emphasized. This was illustrated by the fact that, as of September 1992, only 52 member states had paid in full their dues to the regular budget. Unpaid assessed contributions totaled \$908.5 million and unpaid contributions toward peacekeeping operations stood at \$844.4 million. The Secretary-General continued, “At the end of August 1992, I was able to pay the salaries of the regular staff of this Organization only through borrowing from peacekeeping funds with cash available.”¹³⁹

He put forward proposals to deal with the cash flow problems caused by the exceptionally high level of unpaid contributions, as well as with the endless difficulty of inadequate working capital reserves. None are new, but these were:

- That interest be charged on the amounts of assessed contributions not paid on time;
- That certain financial regulations of the U.N. to permit the retention of budgetary surpluses be suspended;
- That the Working Capital Fund be increased to \$250 million, with endorsement of the principle that the level of the Fund should be approximately 25 percent of the annual assessment under the regular budget;
- That a temporary peacekeeping reserve fund be established at the level of \$50 million, to meet the initial expenses of operations, pending the receipt of assessed contributions;
- That the Secretary-General be authorized to borrow commercially, should other sources of cash be inadequate.

In December 1992, a heartening development was the approval, finally, by the General Assembly of a \$150 million start up fund for peacekeeping operations.

After protracted negotiations, the Fifth Committee of the GA finally approved by consensus toward the end of 1992 the establishment of a \$150 million Peacekeeping Reserve Fund. It is intended as a cash flow mechanism to cover the initial start-up costs of new, expanded, or extended peacekeeping operations, pending the collection of assessed contributions.

Two sources of financing are: (a) a first window consisting of the unencumbered balances of UNTAG and UNIIMOG peacekeeping accounts—representing approximately \$60 million and (b) a second window retaining a proportion of the credits due to member states, but which have remained undistributed to help compensate for the underfunding of the Regular Budget in past years (due primarily to the U.S. withholding contributions). With the prospect of the U.N. continuing to collect U.S. arrears by installments, this should in time yield the \$90 million required to meet the \$150 million balance.

These suggestions make sense, and the last one is perhaps the most adventurous—albeit controversial.

The U.N. Secretary-General repeated a proposal establishing a U.N. peace endowment fund, with an initial target of \$1 billion to be created from assessed and voluntary contributions from governments, the private sector, and individuals. Once the fund reached its target level, the proceeds from the investments of its principal would be used to finance the initial costs of peacekeeping operations, other conflict resolution measures, and related activities.

Boutros-Ghali's report also proposed other ideas, including: a levy on arms sales which could be related to maintaining an arms register by the U.N.; a levy on international air travel, which depends on the maintenance of peace; authorization for the U.N. to borrow from the World Bank and the International Monetary Fund; general tax exemption for contributions made to the U.N. by foundations, businesses, and individuals; and, crucially, changes in the formula for calculating the scale of assessments for peacekeeping operations. He might have added the idea of trying to raise revenue through the issuing of special U.N. stamps, or even an aggressive world-wide advertising campaign to raise funds.

FOUR DIFFERENT CASES OF FINANCIAL IMPROVISATIONS

A view still held by many about the financing of U.N. peacekeeping but which has become increasingly tenuous since is: "One of the strengths of U.N. peacekeeping is the way it has grown through a series of empirical improvisations."¹⁴⁰

Much has been written about the history, background, running, and fates of the twenty or so peacekeeping forces established by the U.N. in the last four decades. A constant theme has been that the U.N. has been in a continuous state of financial emergency. This section does not presume to retrace that ground.

Some would argue that the so-called ad hoc system does work, but it should not be at the expense of looking for alternative methods of financing peacekeeping operations. To some extent this is apparent. A mere four examples of peacekeeping operations have been chosen: two are still in existence

and two completed. Their aims, roles, geographical positioning, and degrees of success (and failure) vary. But in different ways, they each illustrate one common theme: how much the U.N. has had to resort to ad hoc methods for raising funds for these operations and for keeping them running.

The two still in operation are UNFICYP in Cyprus set up in March 1964, and UNIFIL in southern Lebanon established in March 1978. Both have shared the experience of major invasions—by Turkey in the former case and by Israel in the latter—and both from their viewpoints would wonder at the irony of the word “interim” in UNIFIL’s mandated title. Of the other two, UNIIMOG, located in both Iran and Iraq, operated between August 1988 and February 1991, and UNTAG in Namibia between April 1989 and March 1990. UNFICYP, UNIFIL, and UNTAG have been classified as peacekeeping forces; UNIIMOG as an observer mission.¹⁴¹

UNFICYP

UNFICYP is unique in that it is financed wholly by voluntary contributions. As Mills observed:

At the time this decision (the funding method) was taken (1964), no other avenue may have seemed capable of commanding support. The difficulties inherent in ensuring continued operations on such an uncertain financial basis are, with the benefit of experience, now so widely understood that this type of approach is unlikely to be used another time.¹⁴²

But at that moment, the U.N. was in the throes of continuing financial crisis and the Soviet Union and U.S. were at odds over the course of the Congo operation—as a result of its peacekeeping missions. The failure of France and the Soviet Union to pay their assessed shares of the Congo operation was the chief cause of the monetary difficulties of the U.N. in 1962.¹⁴³ For Cyprus, the West insisted on accepting the wish for the deployment of a U.N. force. The Soviet Union acquiesced but only on condition that there would be no mandatory

assessment to cover the costs.¹⁴⁴

And it was a relief that early promises, especially from the U.S. and Britain, removed some of the financial pressure. In today's context UNFICYP has been increasingly engaged since 1974 in much humanitarian work. Some of the functions undertaken were anti-malarial spraying; the transfer of Red Cross supplies; mail; communal transfers and family reunification; medical transfers; police services within the buffer zone; and criminal investigations with inter-communal implications.¹⁴⁵

But the method of voluntary contributions both in kind and finance has caused growing concern over the years, and forces have now begun to withdraw. The deficit of the UNFICYP account was estimated in June 1983, for example, at \$107.6 million.¹⁴⁶ And the last payment to troop-contributing countries, made in March 1983, only met the claims of those countries (in some cases representing only a fraction of the costs incurred by them) up to June 1977.

This situation has persisted and was reflected some years later in a letter from the representatives, dated May 7, 1990, of Australia, Austria, Canada, Denmark, Finland, Ireland, Sweden, and Britain—all contributors—together with complaints about the growing deficit in the UNFICYP account and the burden this placed on the troop-providing countries.¹⁴⁷ The shortfall was reported to amount \$174.8 million in December 1989. As a result, the U.N. had been able to meet the claims of troop-contributing countries only up to December 1980.

An appeal was made by the Secretary-General for further voluntary contributions on May 31, 1990.¹⁴⁸ A Secretariat team visited UNFICYP and in a detailed report found that the financing of the operation by voluntary contributions was no longer tenable and that the operation itself should be changed to assessed contributions.¹⁴⁹ But it also concluded that the operation remained indispensable and could not be reduced in order to allow major savings. In response, a draft Security Council resolution stated that it would from June 15, 1991 (the mandate renewal time) consider future costs of UNFICYP as "expenses of the Organization to be borne by Members in accordance with Article 17, paragraph 2, of the Charter."¹⁵⁰ An amended text was adopted, saying it would study the situa-

tion carefully to come up with an arrangement before the end of the mandated period.¹⁵¹ Assessed contributions was explicitly mentioned as one of the choices to be considered by the Security Council.

The financing of UNFICYP has run into all sorts of trouble. Russia backtracked on May 27 on its decision two weeks previously to veto a U.K. proposal to finance the U.N. force in Cyprus by mandatory assessment rather than voluntary funding. Under a new format of financing, Greece and Cyprus volunteered to contribute \$25 million a year to the force, leaving about \$22 million annually to be shared among the other member states. The U.N. force was down from a high of 6,400 to 1,500 troops. Its arrears amounted to about \$200 million.

There the situation rests with the mandate, at the time of writing, renewed on June 12, 1992 for another six months but with the Security Council asking the Secretary-General to propose measures for trimming the force (and therefore the costs). This reflected the increasing frustration of contributing countries (shared by the Secretariat) at the lack of political movement on the island itself.

The contributing countries equally are frustrated at the financial burden they have to bear. Under the existing arrangements, the troop-contributing governments have agreed to pay the U.N. troops regular pay, allowances, and normal materiel expense, as well as certain extra and extraordinary costs. The U.N. is also responsible for the operational costs of administrative and logistic support (e.g. rations, fuel, use of vehicles, maintenance of premises, salaries and travel of non-military personnel) and for extra and extraordinary costs incurred by the troop-contributing governments on the basis of separate agreements concluded by the U.N. with each of those governments.

But the financing arrangements clearly have not worked satisfactorily, with arrears having reached \$193 million by the end of March 1992 and with reimbursement claims paid only up to June 1981.¹⁵² By 1985, the backlog for reimbursements to the troop contributors to UNFICYP was running between six and seven years behind schedule.¹⁵³ Boutros-Ghali recommended that UNFICYP should be financed from assessed

funds (April 1). Meanwhile, its troops standing strength had been reduced from 2,141 in May 1992 to 1,513 in March 1993, when the force was some \$200 million in debt.

With a deployment of about 2,200 military and police personnel, UNFICYP at a rough cost of \$31 million a year is comparatively an inexpensive operation to run. This is largely because it has become established through its longevity. This argument may well be used as a reason—since the costs are supposed to be met by voluntary contributions—for not changing the funding procedure. In addition, given the overall shortage of U.N. funds, there would be marked reluctance to take over the task of additional assessments on member states for peacekeeping.

UNIFIL

UNIFIL, the U.N. Interim Force in Lebanon, is another conveniently *forgotten* peacekeeping mission. It is forgotten how much the ending of its mission, which started in March 1978, is debated but not seriously contemplated. Its function is to confirm the withdrawal of Israeli forces from southern Lebanon, to restore international peace and security, and to assist the government of Lebanon in ensuring the return of its effective authority in the area.¹⁵⁴ Here is not the place to explore history and the complexities of southern Lebanon and the role of Israel, which invaded massively in June 1982.

It is sufficient to say that UNIFIL has become an uncomfortable part of the political, economic, and humanitarian landscape of the area in a way that makes its withdrawal extremely difficult for all parties concerned, whether Shiite, Palestinian, the Israeli-backed South Lebanon Army, or the Lebanese government. Dr. Marianne Heiberg wrote:

That UNIFIL has become an important element in the southern economy was perhaps inevitable. UNIFIL has meant the injection of a profitable new market, without social overheads, for southern goods, a vast economic opportunity for local entrepreneurs

and a monetary injection of millions of dollars annually into the local economy.¹⁵⁵

Even Israel might have reservations. Thus its interim nature looks likely to drag on!

UNIFIL is financed from funds raised by the peacekeeping assessment system. With UNFICYP, they constitute the two operations—so far—with serious financial problems (leaving aside the operations in the former Yugoslavia, Cambodia, and Somalia). Part of these were caused by contributors, notably the former Soviet Union refusing for political reasons to pay its assessed contribution. (The U.S. has also held back in the past assessed payments, but mainly for reasons that reflected its attitude toward the U.N. as a whole.)

In the case of UNIFIL, the Soviet Union suggested—unrealistically—in March 1978, with the support of Czechoslovakia, that the costs of that operation should be borne by Israel. At first, the General Assembly allocated \$54 million for its initial six-month mandate and even invited voluntary contributions. In addition to the Soviet Union—together with east European countries (Yugoslavia and Romania excepted) and Albania—Cuba, Laos, Syria, and Vietnam voted against the appropriation, indicating that they would not pay their share of the assessed contributions.¹⁵⁶

It was a bad financial start and one that has not radically improved, for there has been an increasing deficit in the UNIFIL account, which amounted to \$281.7 million on April 30, 1992.

This marked some reduction, however. In his report to the Security Council on UNIFIL, dated January 25, 1990, the Secretary-General stated that, as of the beginning of the month, unpaid assessed contributions amounted to \$318 million. This was the equivalent to the budget of the Force for over two years at the current expenditures rate. The annual cost to the U.N. of UNIFIL is approximately \$153 million. On February 29, 1992, total contributions outstanding to the UNIFIL special account had improved marginally to approximately \$254 million.

REIMBURSEMENT

Nevertheless in this situation, the U.N. has been forced to fall increasingly behind in its reimbursement to governments for the costs incurred in contributing troops, equipment, and supplies. This placed an increasingly heavy burden on those contributors, particularly on the less wealthy countries, short of foreign currency.¹⁵⁷

The UNIFIL experience reinforces the cynical argument that the financing system, as imperfect as it is, has enabled the operation to be carried out in spite of politicking on the ground and at the U.N. What is difficult to measure is how much more efficiently it might have been able to perform. More daunting to contemplate is the results it might have in this profoundly unstable region, were it either to cut back its operations, or withdraw altogether.

From a financial point of view, the chronic underfunding of UNIFIL has caused some hardship to the less wealthy contributors and raised some queries among the better off. The issue is reimbursement to contributors. At present, the General Assembly sets a uniform rate. In the case of UNIFIL, the cost in 1990 was \$142 million, which was broken down into expenditures on military personnel 61.6 percent; on civilian personnel 11 percent; transport equipment 10.1 percent (and other equipment 2.7 percent); rations 5.7 percent; aircraft charter 3.1 percent; supplies and services 2.6 percent; accommodation 1.7 percent; and administrative support expenses 1.5 percent.

In theory, the U.N. reimburses troop-contributing states for a certain proportion of the expenditures they incur. For the most part, this consists of the remuneration of military contingents at a flat rate of \$950 per person per month for pay and allowances for officers and soldiers, plus an increment for specialists (limited to 20 percent), and allowances for clothing and weaponry. The U.N. also reimburses medical expenses for disability and death, and pays for the transport of troops. In the case of materiel, the U.N. pays for equipment its asks to provide and makes payments for the amortization of the

materiel that remains the property of the states.

The practice has turned out differently. Specific expenditures other than for personnel often have been reimbursed, although belatedly. However, the reimbursement for troops has been imperfect, and given the level of arrears, only when the liquidity level of the peacekeeping accounts permits. Flat rate allowances have tended to be paid one month late and at just under two-thirds of that rate.

When UNIFIL receives payment of a substantial contribution from a country paying its arrears (the Soviet Union—as it was—or the U.S.), the U.N. has generally made additional payments to troop-contributing states as main payments or also as compensation for clothing, equipment, and specialists. But the level of arrears means that the backlog still exists.

All troop-contributing countries to UNIFIL, which include Nepal, Ghana, and Fiji, have experienced serious problems in being reimbursed. However, the developing countries are in a less favorable position than the developed countries. The current rate of reimbursement of \$950 is a standard rate under the principle of equality of payment to governments of states providing contingents. But this does not meet the cost of troops, which should be the case according to the principle propounded by the U.N., or even the cost of the overseas allowance for forces from developed countries. According to U.N. estimates, the proportion of expenditures incurred by states that is not covered by the reimbursement rates averages 23.3 percent. More meaningful, but the calculation in dollars makes comparisons in time difficult, is the median of 58.8 percent of the actual costs of keeping troops in the field being absorbed by the contributor.

What emerges is in part paradoxical, for the developing country contributors can suffer from the financial restrictions imposed by arrears.

On the other hand, however, their forces are less-well paid than the middle industrial countries, which are the most frequent contributors to peacekeeping forces and the most expensive to maintain. The lowest-cost contributor in fact makes a gain—if reimbursed—on their costs. “Thus, (the middle industrial powers) approach new missions with a certain fatalism about finances.”¹⁵⁸

Norway, a faithful contributor of peacekeeping troop contingents over the years, for example, expects only a 40 percent return from reimbursements. In short, the reimbursement system functions in a way that amounts to the North subsidizing the South. But while, from an ideological standpoint, this might be an attractive situation and form of transferring wealth, an under-funded peacekeeping force, such as UNIFIL, is hardly the ideal place for such an exercise.

The lessons from these two examples is that long-standing peacekeeping forces become fixtures accepted—with tensions—by the parties whose peace they are supposed to oversee and by the parties that many years ago gave them a mandate to go out in the field. They operate on a financial basis that is chronically not just short of funds, but also in other circumstances would have been regarded as bankrupt. This must hamper the full efficiency of these forces, and throws up, as in the case of reimbursement, anomalies in the functioning of the system. But, while one might argue that “empirical improvisation” in financing has helped these examples of U.N. peacekeeping missions survive, it is questionable whether it can still be applied to the larger and more multifaceted operations.

UNIIMOG

UNIIMOG was financed by peacekeeping assessments according to Chapter 17, Article 2 of the Charter. Its mission was, as an observer and with a relatively clear mandate, less dangerous than the examples of UNFICYP and UNIFIL—although not without risks. It was designed to monitor the cease-fire lines between Iran and Iraq as of August 2, 1988.¹⁵⁹ Indeed, of the several peacekeeping missions established in recent years, it conformed more closely than most to the traditional concept of peacekeeping.¹⁶⁰

Located in Iran and Iraq, its function was to verify, confirm, and supervise the cease-fire ending eight years of war and the withdrawal of all forces to the internationally recognized boundaries, pending a comprehensive settlement.¹⁶¹ The legacy of this long and costly war was bitterness between both sides and a profound suspicion of outside intervention—

even U.N. intervention, particularly on the Iranian side—that made these peacekeeping operations difficult and sensitive.

Set up in August 1988 through Security Council Resolution 618, it suffered like other such missions from a slowness—but by U.N. standards only a comparative slowness—to receive the appropriated funds. The General Assembly appropriated \$35.7 million for an initial period of three months. But on the ground, not least because the two then superpowers were in agreement and helped with required transport, it was quickly in action.

The peacekeeping budget assessments for UNIIMOG were: the U.S. 31.06 percent; the Soviet Union 12.42 percent; Japan 10.77 percent; Germany 8.2 percent; France 7.76 percent; Britain 5.92 percent; and China 0.95 percent. The contribution of the five permanent members of the Security Council as assessed was 58.11 percent, but Germany and Japan also provided a large share of 18.97 percent.¹⁶²

This was apportioned from the inception of the mission until September 1990 at \$172.9 million. The pattern of unpaid contributions was exceptional and against the usual trend. By September 30, 1989, \$33.9 million (or 29.5 percent of the then currently-mandated \$114.8 million) was outstanding. By June 30, 1990, \$24.4 million, equivalent to about 14 percent of the sums levied on states since the beginning of the mission, were still owed. By the end of the year, the arrears had fallen to \$9.8 million. On March 31, 1992, total outstanding contributions were \$1,198,019, against a total of \$1,244,260 in contributions payable at the beginning of the year!¹⁶³ Compared to the funding of many other peacekeeping operations, this cash flow was good.

Dedring pointed out in relation to the establishment of UNIIMOG how, against the background of the complicated accounts system that the U.N. has built up and the accumulation of new operations, the roles of ACABQ and the Fifth Committee are vital.¹⁶⁴ Together, they decide on the ways of authorizing the required funds for the mandated period. The initial financing of UNIIMOG was established through General Assembly Resolution 43/230 of December 21, 1988. But the result was subsequent fine-tuning.

The initial step was the report of the Secretary-General on the financing of UNIIMOG.¹⁶⁵ The two documents show the often exhaustive nature of the accounts and an insight into the ramifications, often tortuous, of securing the financial basis for the U.N. peace function. The ACABQ evaluated the submission of the Secretariat to prepare its own judgments and recommendations for the budget committee of the General Assembly. A series of short documents followed containing the texts of draft resolutions submitted by the Chairman of the Fifth Committee on the financing of various U.N. peacekeeping operations.¹⁶⁶ This demonstrated clearly the consensus approach that has become the norm in budgetary discussions about peacekeeping operations. That the Chairman submits the draft resolution guarantees the level of support for the adoption of these financial proposals.

Once the Fifth Committee had formally adopted these proposals, the reports of the committee to the General Assembly (for example A/45/892 and 896 dated December 20, 1990), were issued and permitted the Assembly to ratify the prior decision of the Committee. The General Assembly Resolution adopted on December 21, 1990 (A/Res/44189) produced authority for the financing of UNIIMOG until March 1991. The UNIIMOG operation ended on February 28, 1991—against the background of Iraq's invasion of Kuwait on August 2, 1990, and subsequent Security Council resolutions aimed against Iraq in retaliation.

In short, it was a mission that had played an almost classical peacekeeping role, tidying up after a vicious war and ensuring that the two parties kept to a mandate of peace.

UNTAG

UNTAG, the fourth example, set in operation in Namibia between April 1989 and March 1990, was an acutely complex undertaking and a milestone for future operations. Its function was to ensure the early independence of Namibia from South African rule through free and fair elections under the supervision and control of the U.N.¹⁶⁷ In fulfilling the election task, UNTAG went far beyond the confines of more traditional peacekeeping operations in U.N. history. And the overall

tasks were manifold.

It had its odd sides. During its operations, some U.N. military observers had to be posted in isolated areas where there were wild animals.¹⁶⁸ For that reason, it was decided that the Commander of the military component of UNTAG could authorize those military observers to carry side arms for self-protection when circumstances warranted.

At its height, nearly 8,000 men and women—civilians, police, and military—were deployed to assist this process. There were components dealing with refugees' resettlement that involved cooperation with UNHCR. The components included the monitoring of the disbandment of citizen forces, commando units and ethnic forces, including the South West Africa Territorial Force (SWATF); and watching the South African Defense Forces (SADF), as well as the guerrilla forces of the South West Africa People's Organization (SWAPO) in neighboring countries. The variety of tasks—ranging from military to civilian concerns—was similar to that facing the U.N. peacekeeping operation in Cambodia.

It is generally acknowledged that the mission started badly with a damaging gap between the officially-approved start and execution of the operations themselves. But the mission was unusual in that, costing overall \$383.5 million, it turned out to be considerably less than the \$650-750 million estimated at first. As a result, it was a rare operation with a surplus, which was redirected toward more penniless peace-keeping operations.

Political movement toward Namibian independence was complicated. While the plan for the Namibia operation was adopted on September 29, 1978 by Security Council Resolution 435 (1978), the moment for implementation did not arrive before early 1989, when, following the agreement between Angola, Cuba, and South Africa over the withdrawal of Cuban troops from Angola, the road to Namibia's independence had been cleared.¹⁶⁹

On January 16, 1989, the Security Council asked the Secretary-General in Resolution 629 (1989) to "identify wherever possible tangible cost-saving measures without prejudice to his ability fully to carry out (UNTAG's) mandate."¹⁷⁰ It set April 1 as the deadline when implementation of Resolution

435 (1978) should begin. There was also a reduction of the overall budget from approximately \$700 million to \$416 million. Further constraints were applied, resulting in total expenditures of \$383.5 million when UNTAG's mission ended.

For the first time in the financial history of peacekeeping forces, one account ended with a large surplus: UNTAG's with \$68 million. It is worth pointing out that UNTAG, too, suffered from unpaid contributions, so that on March 31, 1990, the outstanding contributions to the then cumulative assessments of the current mandate of \$409.6 million amounted to \$252.2 million, or an extremely high 62.6 percent.

Inevitably, the surplus issue provoked questions about the U.N.'s ability to measure up accurately to its requirements for individual missions. Although UNTAG was claimed as a success, one effect of the delay was an intensification of guerrilla operations with which the U.N. forces could not cope. South African forces had to be brought in, resulting in between 300 and 400 lives lost in fighting, mainly on the SWAPO side. Even the official U.N. version acknowledges that there had been a severe start-up problem:

By mid-May the crisis created by the events of early April had been very largely resolved. UNTAG had also, by then, received most of its personnel, who had been deployed, or were in the process of being deployed, to their nearly 200 duty stations throughout the Territory. UNTAG had also received much, but still not all of the equipment—vehicles, communications, accommodation—which it so sorely needed.¹⁷¹

It was such a slow and, in terms of human life, costly start that reinforced the argument in favor of the Secretary-General having a large available fund at his disposal to enable missions to begin their activities swiftly, especially as UNTAG had heavy start-up costs. This focused attention on the issue because of the protracted debate in the General Assembly substantially delayed adopting the assessment resolution.¹⁷²

Much of the delay stemmed from the five permanent members of the Security Council¹⁷³ who approached the Secretary-General, urging him to submit a funding plan for UNTAG that would result in considerable savings compared with the 1979-1980 estimates. The cuts recommended by the Secretary-General aroused strong protest from African states and the Non-Aligned Movement, and introduced tension into the weeks before the scheduled start of UNTAG.

The Security Council did not give the final go-ahead until mid-February 1989, and it was not until early March because of wrangling, for example, over whether UNTAG could purchase supplies from South Africa that full financial authorization was given.¹⁷⁴ When UNTAG became, in theory, operational on April 1, the military personnel were not fully deployed and South African forces were called in to quell guerilla infiltrations.

In spite of the difficulties over start-up, as Allen observed, "There is no doubt that a peaceful transfer of power in Namibia could hardly have been envisaged without an involved peacekeeping operation."¹⁷⁵ The Cambodian mission is not in the same league in terms of decolonization, nor in costs, but some inspiration could be drawn from what UNTAG eventually achieved.

POLITICAL WILL WOULD OPEN THE WAY TO IMPROVEMENT

It is apparent that for the moment, political demands on the U.N. have outstripped the financial and economic abilities to fulfill them. This is in part a feature of the post-Cold War atmosphere, and has left the U.S. feeling that it is paramount in international affairs—this could indeed be the case. But there are elements which make it imperative that the U.S., having returned to the idea that the U.N. has a role to play not least as part of its own foreign policy, should do something constructive about it.

The U.S. has, in effect, been able to hold the U.N. to ransom. Its assessed contributions to both the regular and peacekeeping budgets have exceeded by far those of other countries, including the former Soviet Union, which falsified its economic statistics to maintain a political assessment par-

ity—a situation that Russia now regrets, and is based on information gained in an interview with a Russian diplomat. The U.S. may feel that in the past it was badly-treated in terms of its own policies and allies, such as Israel, which it has stood beside. But where it is often mystifying to both U.N. insiders and outside observers is the remoteness of U.S. policy toward the realities of the U.N.'s financial and political requirements.

Through U.N. Security Council resolution, the U.S. effectively obtained a mandate, unequaled since that of permitting the allied involvement in Korea, to organize the counter to Iraq's invasion of Kuwait. Yet this special mandate has not been matched by financial gratitude on the part of the U.S.

The fact is that from the Congo operation of the early 1960s, where the U.S. provided crucial infrastructural support at the level of major-general authority, the U.N. has been in balance of more support to the U.S. than against it. But it remains sometimes baffling that it is incapable of fulfilling the financial role to match its global political aspirations. The message is clear that if the U.S. is sincere in its relationship with the U.N., and if it is keen to retain its dominant position there, it should pay for it—as stipulated legally according to U.N. rules. The U.S. should not have the arrears already enumerated, even at a time when the U.N. is undertaking operations in Cambodia, which the U.S. would argue are related to U.S. national security but that it could not be involved in for immediate historical reasons.

Part of the problem lies with Congress. While Senator Claiborne Pell, chairman of the Congressional Foreign Affairs and Aid Committee, is a dedicated, U.N. Charter-carrying politician, his own committee shares the view, not limited to the U.S., that aid should be tied, not given for free. It earns few votes in Congress.

In this context, it seems curious that money for the U.N., administered through the State Department, should come under the same aegis as aid. There is an argument, which has been gathering strength, that given the growing importance of peacekeeping operations, the budget for the U.N. should be moved from the budgetary account of the State Department to that of the Department of Defense (Pentagon), where it would be dealt with more swiftly and efficiently.

There are clearly bureaucratic difficulties involved in such a change, but in the interests of the U.N. it is worthwhile for the largest financial contributor to review how it pays its way. It would not be, for example, too much of a burden were the allocations for the U.N., under whatever account, to be made forward-looking rather than retrospective. In other words, the mechanisms of the early 1980s could be revived, not least smoother to the U.N.

Some of this commitment has been made public. On May 7, 1992, the State Department issued a statement proclaiming that "Strong support for U.N. peacekeeping activities is a basic tenet of U.S. foreign policy." It said that "Reversing Iraqi aggression against Kuwait was a demonstration of what the United Nations could do." It added, "U.N. peacekeeping can be expected to play an increasingly important role complementing U.S. bilateral efforts and assisting the achievement of critical U.S. security and foreign policy objectives."¹⁷⁶

The interesting feature is that it acknowledges "Traditional funding mechanisms will be hard-pressed to sustain the rapidly rising U.S. share of U.N. peacekeeping costs." The emphasis was put on U.S. interests in playing "a key role in the design and implementation of ambitious new U.N. operations in the Gulf, El Salvador, Western Sahara, Angola, Cambodia, and the former Yugoslavia."¹⁷⁷ Strangely, given the U.S. Administration's slowness to pay its arrears, the paper goes on to argue:

Having fought for decades to secure a world free from Soviet expansionism, the United States can now harness a new spirit of international cooperation to defend, sustain, and advance positive recent political developments. The United Nations is a unique political resource well-suited to assist this endeavor at a small fraction of the astronomical sums spent by the United States to win the Cold War.¹⁷⁸

It acknowledges too that, "The lack of adequate and timely financing for U.N. peacekeeping operations by the United

States poses serious problems for the U.N. and for U.S. leadership in the U.N.” But for fiscal year 1993, there would be “a break from conventional budgeting with the inclusion of \$350 million for new and anticipated peacekeeping operations.”¹⁷⁹

But there still remain arrears to be paid off and a solid political commitment and leadership by the Clinton Administration to the U.N.’s peacekeeping operations. There has been a learning process in the U.S. involvement in Somalia and something which the Marines have had to come to terms with. For whatever the move from peacekeeping to peace enforcing, there are new disciplines that have to be—expensively—absorbed.

In this period of *détente*, it is hard to understand why states such as the Russian Federation cannot pay their dues unless they have budget difficulties.

Comparatively, the costs of financing peacekeeping are small. Urquhart wrote:

To say that peacekeeping is very expensive is misleading. One and a half days of the cost of Desert Storm, the operation which finally liberated Kuwait, would have paid for all the U.N. peacekeeping operations world-wide for one year.¹⁸⁰

This assertion demonstrates the size of expenditure that would be needed to put both the U.N.’s regular and peacekeeping budgets on an even keel. It has been argued:

If not because dangers have subsided, then perhaps the sheer costs—economic, material, in loss of life, domestic or international support, and diplomatic standing—have made large-scale military engagement untenable. Perhaps peacekeeping, far from being a means to an end, becomes an end itself as the most viable mechanism for world order: security through the maximum diplomatic use of interpositional armies and not through the use of mass force. Rather than costly, peace-

keeping is a bargain when juxtaposed to the expense of modern warfare.¹⁸¹

Durch and Blechman expressed the same situation more starkly:

Even the record-breaking amount spent by the U.N. for peacekeeping in 1989 (\$638 million) is minimal. It is less, for example, than the annual cost of a single U.S. Army division when the latter is calculated to include pay and allowances, operations and support, and annualized equipment costs. U.N. peacekeeping expenses can also be compared to the cost of procuring modern armaments. The full amount spent by the United Nations in 1991 would not have covered the cost of a single modern bomber, for example, a single nuclear-powered submarine or a single missile-armed destroyer....Peacekeeping costs should also be evaluated in terms of the costs avoided by keeping the peace. The United States' expenditures in the 1991 war against Iraq, for example, totaled approximately \$63 billion—more than 100 times the amount spent for U.N. peacekeeping worldwide in that same year.¹⁸²

The problem is that selling peacekeeping is as difficult as selling preventive medicine—and the United States, more than others, is not prepared to acknowledged this.

HOW TO RAISE THE MONEY

A theme that recurs in any discussion of how the U.N. could better run its financial affairs is one of conservatism. This applies whether the co-discussants are from the developing or the developed world. There is a sense that, even in spite of changing times, if the system works, then it should be tampered with only very slightly. Such a view is extremely

limited and conservative. From a purely financial aspect, it also shuts off the U.N. from funds it will need over the next two or three years to enable the organization to carry out the mandates and trust that—belatedly—have been vested in it.

Part of the onus must lie on the U.N. itself and its ability to think imaginatively about financing and cost-cutting reforms that will inspire greater confidence from outside. Although there are strong arguments against seeking nongovernmental sources of financing, there is the counter-argument that nongovernmental sources, if properly derived, might give the U.N. a measure of financial independence.

The new Secretary-General has begun to reorganize his administration, but it is apparent that there would be more confidence in the way the U.N. handles its financial affairs if there was greater transparency and efficiency.

“After 50 years serving in a Middle Eastern country like my country, I was under the impression that the worst bureaucracy was the Egyptian one. Then I discovered there is a worse bureaucracy,” Boutros-Ghali has been quoted as saying.¹⁸³

SOME VIEWS OF REFORMS—BUT MOSTLY CONSERVATIVE

For samples of views on how U.N. peacekeeping could be reformed it is worth reading *Special Committee on Peacekeeping Operations*.¹⁸⁴ This review, containing the views of the governments of Brazil, Canada, and Sweden (on behalf of Denmark, Finland, Iceland, Norway, and Sweden), expresses the extremely conservative views in financing terms that these broadly representative countries took toward reform. Brazil says, “With reference to the financial aspects, it should be borne in mind that the financing of peacekeeping operations must remain the collective responsibility of Member States, in accordance with Article 17, paragraph 2, of the Charter.”¹⁸⁵

It continues, “The special scale of assessment traditionally applied to the financing of peacekeeping operations should be clearly institutionalized. Member States must also strive to pay their assessed contributions on time.”¹⁸⁶

Canada, along with the Nordic countries, is a long-term and experienced supporter of peacekeeping operations that

had its own views. It asserted that “Regular budget resources to peacekeeping should be increased through redeployment of existing resources.”¹⁸⁷ Canada supported proposals for a designated start-up fund for peacekeeping and for “a reserve stock of commonly used material for new operations.” It also raised the point that contributions toward peacekeeping operations should be equitably shared, but raised the issue that, “The financial arrangements currently governing UNFICYP unfairly penalize countries contributing troops to the operation and also call into question the commitment of the United Nations to it.”¹⁸⁸

The EC, through Portugal, had nothing of any moment to add with regard to the financing of peacekeeping operations.

By contrast, Sweden referred to views put forward by the Nordic countries in *Shaping the Peace: The United Nations in the 1990s*, with a view toward elements of a possible integrated U.N. approach toward peacemaking, peacekeeping, and “as a last resort” enforcement action.¹⁸⁹ On financing, Sweden protested that “Action must be taken to ensure adequate financing for peacekeeping operations, based on the principle of collective responsibility, through payment of assessed contributions in full and on time.”¹⁹⁰ It added that “Arrangements should be made for the start-up phase of new operations, in particular, through the establishment of a special peacekeeping start-up fund.”¹⁹¹

Whatever the dominance of its major provider, the U.N. has to accept that if it is to obtain the funding from the U.S., it will have to open its accounts books. One suggestion in terms of financing that bears the merit of consideration is the denomination of contributions to the U.N. in Special Drawing Rights (SDRs). This would help reduce one of the major hazards that faced international organizations and their financing in the 1980s and in this decade—fluctuations in the value of the dollar. This might appear to be mere fine-tuning, but it would help the U.N.’s image.

It is apparent that Congress will not accept accounts unless the U.N. makes more precise its relationship between ACABQ, the General Assembly’s Fifth Committee, and leadership from the Secretary-General. While the last Secretary-General, Javier Pérez de Cuéllar, put forward some thoughtful

proposals about the financial state of the U.N., his successor has been slow to follow them up.

At that stage, October 31, 1991, the unpaid assessed contributions amounted to \$988.1 million.¹⁹² “In summary,” he wrote, “the situation has now deteriorated to the point of crisis.” He continued, “The problem has now intensified, both quantitatively and qualitatively, as the Organization is required to undertake ever-increasing and complex tasks, particularly in the areas of peacekeeping and conflict resolution.” The slow inflow of resources has been damaging. “Stop-gap measures that had been employed to maintain the Organization’s operations are no longer feasible nor sensible,” he wrote, warning that “Failure to act, promptly and decisively, could lead to financial disaster.”¹⁹³

These cries for help have been heard before and since. But what were of imaginative interest were substantive proposals about what could be done to control the financial crisis. Underlying them are the assumptions that international commercial operations should be as valid for the U.N. as they might be for other organizations. The report, as part of Proposal No. 1, asserts that like other U.N. specialized agencies—the International Telecommunications Union and the Universal Postal Union¹⁹⁴—both charge interest on “contributions not received by 1 January” of the year after assessments are made.

The International Civil Aviation Authority uses an incentive approach whereby the organization’s interest income is “distributed to member states on a weighted scale which takes into account the dates of payment and amounts of current year contributions actually made.”¹⁹⁵ The U.N. Secretary-General would appear through *An Agenda for Peace* to share this view. The incentive payment is proportionately greater for states paying in the first half of the year. It should have penalty or incentive schemes designed to encourage their member states to pay contributions on time. Echoing the footnote, the Secretary-General writes of the distribution of interest income earned to member states in a manner designed to reward those that have paid their contributions early. There would also be penalty schemes involving the imposition of interest charges on late payments. The Secretary-General wrote that he was

“convinced that it would be appropriate and financially sound for the United Nations to institute the practice of charging interest, at commercial rates, to those Member States which have not paid their assessed contributions within 60 days after issuance of a letter of assessment.”¹⁹⁶

These interest charges would apply to all assessments, whether for the regular budget, the Working Capital Fund, or for peacekeeping operations. It would also apply to all outstanding contributions, whether for prior or current periods.

Two points are striking in relation to this proposal. The first is that since Boutros-Ghali became Secretary-General at the beginning of 1992, when an opportunity presented itself for endorsing these propositions—as there was when he addressed the press club in Washington—there has been much complaining about the dire state of the U.N.’s finances, but only lately has there been the support for ideas for alternative financing methods. The second point, which reflects the deeply conservative and unadventurous nature of U.N. bureaucracy, is the argument that such penalties would be unenforceable. The larger defaulters in terms of assessed payments simply could not be forced or shamed into paying their arrears or arrears interest rates. (Some almost laughable suggestions have been proposed, such as the lowering of the flags outside the U.N. in New York of nations which have accumulated arrears.) This is almost correct, but does not undermine the principle that the U.N. should try to enforce its own rules. It is a more solid principle than alternative ways of raising money for the U.N.

One idea was that a blanket assessment should be made on all defense budgets to be set aside for U.N. budgets. Another proposal was the imposition of a tax on arms sales by the major arms-selling countries. These, although idealistically attractive, cannot be enforced and are not backed by the U.N. Charter to carry them out.

In a further move, the Secretary-General suggested that the financial regulations (4.3, 4.4, and 5.2) provide for the return of any budgetary surplus (unencumbered balance) to member states after a financial period. This would, in effect, allow the U.N. to retain or reallocate any surpluses. He cites as precedents the General Assembly’s suspension of these finan-

cial regulations affecting the regular budget that arose at the end of 1972 and at the end of the 1980-1981 through the 1986-1987 bienniums.¹⁹⁷

If all assessments were to be have been paid in full by the end of 1991, \$214.8 million would be realized cumulatively from the suspension of the above-mentioned financial regulations. It is hard to fault the logic of this assertion beyond the predictable complaint that the U.N. is not in the business to miscalculate its finances to the tune of producing surpluses. But, first, the sums involved are comparatively small and second, to quote the Secretary-General, "I consider it indefensible that the Organization should be obliged to return cash which it has not received to Member States, especially to those Member States which have assessed contributions outstanding."¹⁹⁸

Less controversial was the suggestion that the Working Capital Fund, set up in 1946, should be increased to a level of \$250 million from the beginning of 1992. The Secretary-General records:

From the beginning of the United Nations, the level of the Working Capital Fund, as well as deliberations on whether increases in that level were required, have been based on the size of the Fund as a percentage of authorized appropriations. Thus, when the Working Capital Fund was increased to \$100 million in 1982 from its previous level of \$40 million, Member States recognized that the level of the Working Capital Fund had declined from 43.1 percent of the annual budget in 1963 to 6 percent of the corresponding figure for 1981.¹⁹⁹

As a percentage of budgetary appropriations from 1946 to 1991, the level of the Fund was consistently above 25 percent of approved expenditures for the first 25 years of the U.N.'s existence. But this position has been eroded steadily, so that in 1991 the level of the fund stood at 6 percent of appropriations, or the equivalent of just three weeks of expenditure. Raising the Fund to \$250 million would place it at approximately 25

percent of the net annual level of the budget, and provide the equivalent of some three months of funds. It would be required that future adjustments would be made as required to maintain the same relationship between the Working Capital Fund and the regular budget. As was the case in the past when the level of the Working Capital Fund was increased—not a popular suggestion—the additional amount required would have to be financed by an assessment on member states.

SOME ENCOURAGEMENT

In many ways, the most stimulating proposal from the former Secretary-General was the establishment of the Peacekeeping Reserve Fund at the beginning of 1992, at a level of \$50 million. In his view, it could have been created by the transfer of the residual fund balances from UNTAG (\$30 million) and UNIIMOG (\$20 million). This would be linked later to another proposal—that of a U.N. Peace Endowment Fund (see below). The report said:

The Peacekeeping Reserve Fund would provide initial financing for peacekeeping operations, pending receipt of assessed contributions. It would also be used, as the Working Capital Fund is used at present, to meet the start-up costs for new peacekeeping operations between the time that the Security Council has approved the launching of a new operation and the General Assembly has approved a budget and appropriation therefore.²⁰⁰

Reaction to this idea on the whole has been restrained and limited. The arguments have been rehearsed, ad infinitum, and conservatively. In favor of a reserve peacekeeping fund is that it would strengthen the notion that, once a decision has been taken to set up a peacekeeping operation, the initial few weeks are crucial because the physical and political presence has to be established. The U.N. must impose its character and authority if it is not to suffer the problems it confronted in the

former Yugoslavia, Somalia, and Cambodia. Moreover, unless there are funds available to deal with the basic procurement arrangements, the risks are that a peacekeeping operation, which has to be set up swiftly, will drift into the course of events that have typified UNFICYP and UNIFIL.

In Cyprus and southern Lebanon, vital roles are being played, but more by default than through the original intention and unclear mandates of the U.N.—and the contributors are showing increasing signs of frustration. The counter-arguments from across the board of senior developing countries to the major budgetary contributors tend to be depressing.

If the system more-or-less works, then why tamper with it? How can a fund be set up without precise goals and allocations? An implication is that the U.N. has shown itself to be chronically incapable of organizing its finances, and that a new fund would be a further hostage to the chances of mismanagement.

Certainly, the U.S. Congress would have considerable reservations about such a fund. But there are checks and balances that could be incorporated. The U.N. has operated by Boutros-Ghali's own account some 30 or so peacekeeping forces over the years. The start-up estimates, even allowing for the different geographical areas and political complexities of individual situations, cannot be extravagantly incorrect. As a sop to the doubting Thomases, a stipulation could be that only one-third of the preliminary cost estimates could be made available, thereby limiting the risks of cost overruns.

A possible way around the difficulties of matching national budgetary cycles with the U.N. biennial budget might be to give individual states the option of paying monthly installments, thereby enabling a more regular flow of funds in place of the current fluctuations.

It should be recalled that military action in Korea between 1950 and 1953—fought under the U.N. flag and a semi-precursor of Operation Desert Storm after the Iraqi occupation of Kuwait—was special. Stoessinger wrote:

There were no standing United Nations contingents to be called into action. Instead, the

action (under U.N. resolution) to repel armed attack was merely recommended. The result was that the response of the member states with men, money, and materials remained voluntary.²⁰¹

Stoessinger also looks in some detail at issues that continue to loom large: responsibility of the five permanent members for costs; making aggressors states pay; and the political factor in making budgetary and peacekeeping assessments on states.²⁰² A further proposal in this report was to exploit the authority, vested by the General Assembly in its resolutions on the Working Capital Fund, and to borrow upon payment of interest from other available funds in his custody, for purposes normally related to the Working Capital Fund.

But the Assembly has repeatedly declined to approve requests by several Secretaries-General to be allowed to borrow commercially. Pérez de Cuéllar makes the point that several of the specialized agencies of the U.N., in particular the International Labour Organisation (ILO), the Food and Agriculture Organization (FAO) and the U.N. Educational, Scientific and Cultural Organization (UNESCO) have such authority and have used it on a number of occasions, especially in recent years.

The arguments mustered against this sort of proposal tend to broaden out into several different directions. One, invoked early on, is the issue of the collective responsibility of U.N. sovereignty and that any move, however well-intended, which might involve moving away from member states fulfilling their assessed responsibilities, is to be deplored. Those states that have been reluctant to pay would be even more unlikely to make their contributions if they were aware that other means of funding might be available. However, it is a risk worth running, not least because the search for authority to borrow commercially came not from an academic source but from the then Secretary-General himself.

A way around funding would be to approve the proposal to charge interest on unpaid assessments. Then any interest which the U.N. would need to pay on such commercial loans could be matched by the interest charged to those member

states that, by their failure to pay their assessed contributions in full and on time, made such commercial loans necessary. This proposal has the neatness of linking punitive payments with a means of providing the requisite funds. The Secretary-General adds the rider that “Resort to such loans would only be sought when all other forms of internal borrowing had been exhausted.”²⁰³

Under the heading Proposal No. 2, he suggests establishing a Humanitarian Revolving Fund to be used in emergency humanitarian situations, pending the receipt of pledged contributions from donor governments. Also, this fund would be replenished as funds are collected in response to appeals. The fund would be established at a level of \$50 million, through a one-time assessment on member states according to the scales for the regular budget. The importance of this suggestion is that it echoes the ideas for a start-up peacekeeping fund—and is regarded as such. It also tacitly acknowledges that the new generation of peacekeeping and peace enforcing operations—as seen faltering in Somalia, Cambodia, and the former Yugoslavia—involves military and humanitarian activities simultaneously and acting side-by-side.

In that context, it was not generous for Dr. Hiroshi Nakajima, the director-general of the World Health Organization, to speak out against a more active peacekeeping role for the United Nations, saying it would starve longer term projects of cash.²⁰⁴ For, as has become painfully apparent, unless there is military assistance in accompanying humanitarian aid, for example, in the former Yugoslavia and Somalia, this assistance is simply not going to get through to those who need it. Parallel to this is that providing military accompaniment may require a more aggressive form of peacekeeping operations than before, and therefore more sophisticated weapons—all resulting in higher costs.

PEACEKEEPERS VERSUS PROVIDERS OF AID

Addressing the U.N. agency’s annual assembly in Geneva, Dr. Nakajima said that sending peacekeeping troops to conflict zones was only a temporary solution. “We in the health sector have always maintained that prevention is better than

cure,” he said—inadvertently invoking the financial argument that the U.N. peacekeepers have been trying to postulate for decades. He added, “What we are seeing, throughout the United Nations system, is an increased demand for intervention in response to local crisis, often at the expense of long-term development.”²⁰⁵

Citing the examples of peacekeeping missions in Europe, Asia, and Africa and urgent humanitarian missions to areas of natural disaster or conflict, he said:

These activities, like the curative activities of health, are dramatic and visible. Often, there is immediate improvement in the patient, so they attract resource contributions....But, like many curative medical interventions, they provide but temporary respite, attacking symptoms rather than causes. Besides, they are costly.²⁰⁶

Here his argument collapses, because one aspect that should be apparent is that peacekeeping is not costly compared with the extraordinary expenditures on arms.

This view was later echoed by Mr. William Draper, the head of the U.N. Development Program. He said that the U.N. was emphasizing peacekeeping at the expense of social and economic development in the Third World. He made a contrast between the increase in peacekeeping spending with that in social services. “Voluntary contributions to the UNDP, the U.N. Children’s Fund (UNICEF) and the U.N. Population Fund (UNFPA) have seen a decline of around 10 percent between 1992 and 1993.”²⁰⁷

The sums proposed for various funds in the U.N. Secretary-General’s report are reasonable but minuscule compared with the defense budget per capita expenditure for all four categories of assessment for both the regular and peacekeeping budgets. As Durch and Blechman noted:

On average, in the late 1980s the Perm Five (five permanent members of the U.N. Security Council) spent about \$2,400 on arma-

ments for every dollar they spent on peacekeeping. Countries in Group B averaged \$750 in arms for each dollar devoted to peacekeeping. But countries in Group C averaged \$20,000, and countries in Group D averaged \$40,000 in military spending for every dollar spent on peacekeeping. Were they to contribute to peacekeeping on the basis of the regular scale of assessments, the ratios of military to peacekeeping expenditures in the latter two groups of countries would drop to 4,000:1, still well above the average of the developed industrial states.²⁰⁸

Pérez de Cuéllar's Proposal No. 3 was the setting up of a United Nations Peace Endowment Fund, with an initial target level of \$1 billion. It would be created by a combination of assessed and voluntary contributions, with the latter to be sought from governments, the private sector, and individuals. Once the fund had reached its target level, the proceeds from the investment of its principal would be used to finance the initial costs of authorized peacekeeping operations, and cover the entire financing of smaller operations and related activities. His recommendation indicated that to a certain extent the \$1 billion figure was more of a bargaining offer than a stipulation, and that

...in order to launch the Peace Endowment Fund, to demonstrate its commitment to the principle of collective responsibility and to encourage outside donors, the General Assembly agree to make available 30 percent of the Fund, i.e., \$300 million, in 1992, the contributions to be apportioned in accordance with the special scale of assessment applied to peacekeeping operations.²⁰⁹

Once this fund was fully operational, the balance in the Peacekeeping Reserve Fund could be transferred to the Peace Endowment Fund.

It is not difficult to be destructively critical of these proposals—and needlessly so. Stoessinger pointed out that, in terms of nonconventional funding of U.N. operations, they would pose many difficulties, ranging from the reluctance of states to permit the United Nations to take over valuable economic resources that they might otherwise appropriate for themselves, to the fear that a world organization vested with the power of taxation might become a kind of superstate challenging the sovereign status of its members.²¹⁰

He argued that were such mechanisms for financing available, they might in the end provide the U.N. some financial independence and flexibility in reacting to crises.

Stoessinger also argued that there has been a part played by private contributions since the first year of the U.N.'s existence.²¹¹ While Article 17 is explicit in saying that the expenses of the Organization shall be borne by the Members, it does not exclude private nongovernmental members. Indeed, such contributions might expand the concept of sovereign contributions to more popular levels. There will be those who argue that any means of getting around putting pressure on the regular arrears-accumulators—both large and small—should be avoided.

But the problems of the U.N. providing peacekeeping in both quantity and quality have become acute, so that almost any means are worth trying. Those suggested by the Secretary-General seem the soundest. But some strength has been given to the suggestions that there should be closer cooperation with regional groupings such as the Organization of African Unity (OAU), the Organization of American States (OAS), the European Community (EC), the North Atlantic Treaty Organization (NATO), the Association of Southeast Asian Nations (ASEAN), and the Arab League. While these organizations might be able to provide an intimacy of local knowledge, which might benefit a U.N. peacekeeping force, this intimacy in a bitter local dispute could become counter-productive.

In the case of the former Yugoslavia, the confusion in the EC's attempts to provide a coherent foreign policy toward Yugoslavia has been costly in lives on the ground and peacekeeping. The deep divisions within the Arab League over Iraq's invasion of Kuwait meant that, although individual

Arab countries made military contributions to the military defeat of Iraq, their role as a collective regional organization was nil.

Furthermore, most regional organizations are not sufficiently wealthy to make important financial contributions to peacekeeping forces. But where they could facilitate such operations could be in the provision of infrastructural assistance. This could range from waiving airport landing charges to ensuring free accommodation and local transport.

As peacekeeping in its broadest sense becomes integrated with humanitarian activities, the question arises as to whether, in spite of the experience of UNFICYP, it should not depend increasingly—or at least in the short term—on raising funds through voluntary contributions in addition to but not instead of the existing system of assessments.

Durch and Blechman pointed out that in the 1990-1991 biennium, the U.N. system as a whole budgeted \$7.8 billion, of which \$2.1 billion was for the regular budget and \$896 million was for peacekeeping operations funded off-budget through special assessments and voluntary contributions.²¹² Beyond that, \$4.8 billion went to specialized agencies and other autonomous bodies, which raise most of its income from voluntary contributions.

The agencies, for example, include the United Nations Children's Fund (UNICEF) and the High Commissioner for Refugees (UNHCR). (Of the \$950 million spent for peacekeeping overall in 1990-1991, about \$60 million was included in the regular U.N. budget and paid for through the regular assessment, while another \$60 million was raised through voluntary payments for UNFICYP. The rest was raised through special mandatory assessments.)

The striking point is the extraordinary disparity between the amount of money that can be raised for specialized agencies through voluntary contributions and the funds produced under mainly *mandatory* assessments for peacekeeping. The Blue Helmets clearly do not have the emotive attraction to stimulate a financial response the way refugees and children do. Nor can the Blue Helmets easily and tangibly point to services provided by, for example, the International Civil Aviation Organization, the Universal Postal Union, or the

International Telecommunication Union. They are, and always have been, hard to sell to governments and their budgetary commanders—as unjust and illogical as this may seem. For without the peacekeepers, neither the children nor refugees would be protected and, in some troubled parts of the world, the services would not function.

In the end, to ease the perennial budgetary problems, the U.N. needs to streamline its operations and open its workings more to both governments and the public. Some structural changes have been made by Boutros-Ghali. A fundamental issue that will have to be confronted is that by the end of 1992, Japan and Germany will be (after Russia's ability to contribute has been reassessed) the second and third largest contributors to the regular budget after the United States. But from the very beginning—and this is an irony—the U.N.'s financial problems have not been financial but political. Some accommodation will have to be found to increase the voting rights of Japan and Germany on the Security Council, otherwise they will continue to stall in paying their assessed contributions under a veil of thin excuses. But the major burden lies on the United States.

CHANGING PUBLIC ATTITUDES

Public attitudes have been changing, and need to be built on by political leadership. For the moment, the situation will be stalled by the presidential and congressional elections in November. The United Nations Association (UNA) of the United States of America recorded (in a fax between Jeff Laurenti and John Stremlau dated May 11, 1992 on the UNA poll on the United Nations) that there was greater public appreciation of U.N. activities. On U.N. job performance, 45 percent said it was doing a good job, and 35 percent a poor job. On the issue of the trend toward multilateralism, the memorandum said:

While the willingness to put money into U.N. activities has diminished somewhat, the public's preference for multilateral over unilateral measures—a striking finding in UNA's

1989 public opinion survey—continues to grow, by between 6 and 9 percentage points.

On the issue of intervention by force, it said:

The ranks of those thinking that, even in conflicts where the U.S. has an interest, we should rely on U.N. forces for a compromised solution (rather than U.S. forces to set things the way we think they ought to be) have grown, from 49 percent in 1989 to 55 percent today.

Earlier, the United Nations Association of the United States of America recorded in 1989, in a review of U.S. public opinion and the U.N. in the 1980s, that views toward the U.N. during that period showed persistent support for the organization and U.S. participation in it. But there was frustration with a disappointing performance by the U.N. compared to their expectations for it, yet considerable willingness to entrust the U.N. additional responsibilities.

But it will need presidential leadership to persuade Congress and tax-payers first that the old, apparently anti-U.S. stance of the U.N. General Assembly has changed. Second, the role of peacekeeping needs to be better explained and illustrated. And the point has been made that the U.S. policy of accumulating large arrears was flawed in that it affected organizations, such as the World Health Organization (WHO), which the Americans accepted as worthy. When organizations such as the ILO moved toward reform, they remained penalized rather than encouraged as a result of U.S. parsimony.²¹³

CLINTON'S ADMINISTRATION GIVES GLIMPSES OF HIS U.N. PEACEKEEPING POLICY

At the time of this writing, it was possible to see indications of U.S. policy toward the U.N.—particularly toward the financing of U.N. peacekeeping operations—under the newly-elected President Clinton, beyond the point that it is unlikely to reverse the movement toward accepting the U.N. as a valid

player in international politics. This attitude had been haltingly adopted by his predecessor, President Bush.

On May 3, 1993, Professor Madeleine Albright, President Clinton's appointment as U.S. Representative to the U.N., was questioned before a joint hearing of the sub-committees on Europe and the Mideast & International Security, International Organization, and Human Rights of the House Foreign Affairs Committee. The question-and-answer session gave useful initial insight into the direction of the administration's thoughts on financing collective security.

Albright said, "It's still cheaper to do peacekeeping than it is for us to go it alone." It had been calculated that the cost per American for FY 1993 was \$1.40. This was going to rise to \$2.40 in FY 1994, and "even the FY 1993 numbers did not include the supplemental" for events that could not be predicted.²¹⁴ Nevertheless, for U.S. foreign policy purposes this could not be regarded by outsiders as an outrageous demand.

During the session, two issues arose. The first stated:

The American people...are sick and tired of wealthy countries, literally saved through the United Nations action—for instance in the Persian Gulf—fundamentally organized and conducted by this country, that are giving little, if any, financial support for United Nations peacekeeping, peacemaking, peace enforcement activities in other parts of the world.²¹⁵

This was a reference to the wealthy Islamic nations with high per capita incomes.

The second concerned Germany and Japan, both anxious to obtain permanent seats on the U.N. Security Council, yet claiming domestic constraints on the deployment of troops for peacekeeping activities. Albright emphasized in a retort that "we have to put greater pressure on those countries and others to contribute more."²¹⁶ The role of the U.N. had changed historically:

...basically the vision and dream of the U.N. was put to sleep during the Cold War....We then went through a period where we saw the United Nations as an echo chamber, and then we went through a period where we bashed it. We are now in a new period where President Clinton sees the United Nations as a very important instrument for all of us in maintaining world peace and developing a world community.²¹⁷

Touching on the issue of permanent membership of the Security Council, she said a group had been formed to study how to revise the Council in such a way that reflected the world's realities more closely.

On a specific issue she said one of her prime tasks was to make sure that the assessment of the U.S. contributions should be reduced and those of other countries increased. The special case of Russia was noted in that its present circumstances precluded it from making financial contributions, but it should be making physical contributions on a sizable scale.

Tom Lantos (Democrat, California) observed that Japan and Germany should be making both types of contributions. He made a crucial point that will be returned to later, namely "until and unless we as opinion makers and opinion molders step up to the plate and are determined to build the kind of political will without which no mechanism, no structure, no formula is effective, nothing will happen."²¹⁸

Albright took up this point, and it pertains to the way in which the U.S. public can be drawn to support spending money on U.N. peacekeeping operations. "I think the issue here, to mobilize that political will, our responsibility across the board is to explain why we should care at all," she said.²¹⁹

If there was to be another theme extrapolated out of the debate, it concerned establishing a preemptive fund. One participant argued that such a fund would have "a deterrent force in itself. Countries would understand that reactions from the United Nations could be more swift than they have been in the past."²²⁰

Albright made a reserved observation with this thinking, with serious implications for finance. "I personally do think that a standby force (to be ready for emergencies) is the way to go for now, that there ought to be some way to designate various parts of people's military to work together," she said, noting there were currently 70,000 peacekeepers in the field.²²¹

From this it is clear that the Clinton administration would like to build on the attitudes of his predecessor by using the U.N. more (in spite of the difficulties with Europe over the former Yugoslavia) as an extra arm of U.S. foreign policy, while, at the same time, reducing the proportion of U.S. direct financial contributions. The gap would have to be made up by Japan and Germany, and by those countries with extraordinarily high per capita incomes, possessing crucial commodities, and in sensitive geographical areas.

But in the end, the U.S. cannot speculate about its role as the world's policeman in the new world order and yet hold back from paying for the closest thing the world has through peacekeepers as a global police force. It has been observed:

While the interests of the United States may not be as intensely engaged in as many regions as they appeared to be in the days of the Cold War, they will be challenged in a number of areas. With all its controversial success, Operation Desert Storm showed that the United States is no longer in a position to undertake such missions without the active collaboration of other governments. The United Nations is well suited to the task.²²²

The United States, under the Clinton administration, will have to absorb the following seminal facts, with all the difficulties they will bring with them. In the new order, as Professor Ramesh Thakur wrote:

...the United Nations and the United States will have to learn to coexist in a world with only one superpower and only one general international organization. In the foreseeable

future, it is difficult to imagine the U.N. embarking upon any substantial venture against the wishes of the U.S.²²³

But this is at odds with the U.S. determination to reduce its assessed contribution from 30.4 percent to 25 percent, which is the U.S. regular budget assessment level.²²⁴

The points have been made that peacekeeping forces provide an alternative to the use of U.S. military forces, and support the efforts of U.S. negotiators and mediators working for a truce or cease-fire.²²⁵ An impartial international presence is more effective than national forces and is less expensive in financial, political, and human terms than other options, and their formation facilitates peacemaking and settlement efforts. The irony is that, while it is not hampered by superpower rivalries, the number of its tasks has expanded but the main contributors are either not permanent members of the Security Council or prepared to pay their way. Alternative sources of income for the U.N.—outside the official assessments—should be explored and not be conservatively dismissed. But they should not be seen as an alternative to U.N. members failing to pay their share. For the U.S., in particular, not to recognize these facts under the Clinton Administration—and the relatively meager costs involved—could leave it in a position perilously close to hypocrisy.

Notes

¹ Boutros Boutros-Ghali, *An Agenda for Peace* (United Nations: New York, 1992), 11.

² *New York Times* (February 7, 1993), 1 and 14.

³ *The Financial Times* (March 16, 1993), 9.

⁴ For a glimpse of how money is wasted in U.N. operations, see selective reading of United Nations Development Program. Financial report and audited financial statements for the biennium ended December 31, 1991 and Report of the Board of Auditors. GAO official records No. 5 A (A/47/5/Add.1) NY 1992 are most revealing. See paragraphs 143-172 (concerning contracts and consultants), and paragraphs 229-233 (completion of projects and fraud).

⁵ Michael Renner, *Critical Juncture: The Future of Peacekeeping* (Washington: Worldwatch Institute, 1993), 17-18.

⁶ *Ibid.*

⁷ *Ibid.*

⁸ *Ibid.*, 66, footnote 40.

⁹ *Ibid.*, 29.

¹⁰ Boutros Boutros-Ghali, "U.N. Peacekeeping in a New Era: A New Chance for Peace," *The World Today* 49, no. 4 (April 1993), 69.

¹¹ *Ibid.*

¹² Congressional Research Service. The Library of Congress. January 31, 1990, 35.

¹³ Renner, *Critical Juncture*, 50-51.

¹⁴ Richard Thornburgh, *New York Times* (March 11, 1993).

¹⁵ These are the reports by the U.S. General Accounting Office (Washington, September 1992, GAO/NSIAD-92-247 U.N. Peacekeeping) on U.S. Participation in Peacekeeping Operations; *An Agenda for Peace* (References are made by paragraph number rather than pages), a report by Dr. Boutros Boutros-Ghali, the U.N. Secretary-General; *United Nations Peacekeeping: Issues for Congress* by Marjorie Ann Browne (Congressional Research Service. The Library of Congress. Updated February 2, 1993. Order Code IB90103); and *Financing an Effective United Nations*, a report of the Independent Advisory Group, co-chaired by Shijuro Ogata, a former deputy governor of the Japan Development Bank, and Paul Volcker, former chairman of the Board of Governors of the U.S. Federal Reserve Bank (February 1993. A Project of the Ford Foundation); and the U.N. March 1993 report at the end of the year giving the up-to-date figures on arrears in members' contributions.

¹⁶ The new era has been encapsulated by an ancient Roman maxim, *si vis pacem, para bellum*: if you want peace, prepare for war (Renner, *Critical Juncture*, 5). This succinctly sums up where the U.N. in the modern era stands, and with it inevitably comes the financial

implications.

There have been small but significant examples of how peacekeeping operations can be seriously delayed for reasons of financing. In 1988, (Enid C. B. Shoettle, "U.N. Dues: The Price of Peace," *The Bulletin of the Atomic Scientists* 48, no. 5 [1992], 14) the military observer force on the Iran-Iraq border was delayed for three weeks for lack of \$150,000 to charter a plane to transport signal units needed to link observation posts. In 1989, a three-month debate over lowering the budget for the peacekeeping force to oversee Namibia's transition to independence delayed deployment of the force. As a result, the U.N. had virtually no forces on the ground to counter potential disruption of the operation by returning SWAPO guerrillas.

Shoettle (*Ibid.*, 15) records that, for fund-raising purposes, individual and foundation gifts were not without precedent. Before World War I, Andrew Carnegie donated the Peace Palace in the Hague, and the Rockefeller family and its related philanthropies contributed heavily to the construction of both the Palais des Nations in Geneva in the 1920s and the U.N. in New York in the late 1940s.

¹⁷ Boutros-Ghali, *An Agenda for Peace*, para. 13.

¹⁸ United Nations, *U.S. Participation in the Environment Program*, (Washington, U.N. Environment Program, GAO/NSIAD-89-142, June 1989), 17.

¹⁹ GAO, 10.

²⁰ Ford, 3.

²¹ *Ibid.*, 14.

²² *Ibid.*

²³ GAO, 16.

²⁴ United States General Accounting Office, Washington, GAO/NSIAD-92-247 U.N. Peacekeeping, September 1992, 16.

²⁵ GAO, 18.

²⁶ *The Blue Helmets: A Review of United Nations Peacekeeping* (New York: United Nations, 1990), 407, footnote 109.

²⁷ GAO, 18.

²⁸ *Ibid.*, 23.

²⁹ *Ibid.*, 44.

³⁰ *Ibid.*, 33.

³¹ Boutros-Ghali, *An Agenda for Peace*, para. 1, footnote 9.

³² For a constructive interpretation of Boutros-Ghali's *Agenda*, Thomas G. Weiss has made a valuable contribution through "New Challenges for U.N. Military Operations: Implementing *An Agenda for Peace*," *The Washington Quarterly* 16, no. 1 (Winter 1993), 51-66. A critical but not dismissive analysis of the *Agenda* is to be found in Adam Roberts, "The United Nations and International Security,"

Survival 35, no. 2 (Summer 1993), 3-30.

³³ Boutros-Ghali, *An Agenda for Peace*, para. 47.

³⁴ *Financing an Effective United Nations*, 28

³⁵ Boutros-Ghali, *An Agenda for Peace*, para. 47. The issue of reimbursement is treated later.

³⁶ *Ibid.*, para. 29.

³⁷ *Ibid.*, para. 69.

³⁸ *Ibid.*, paras. 70-74.

³⁹ *Ibid.*, para. 72.

⁴⁰ *Ibid.*, para. 73.

⁴¹ *Ibid.*, para. 74.

⁴² In my opinion, this is the case. Besides Shijuro Ogata, former Deputy Governor of the Japan Development Bank and Paul Volcker, former Chairman of the U.S. Federal Reserve Bank, the group was made up of Abdul Aziz Al-Quraishi, former Governor of the Saudi Arabian Monetary Agency; Raymond Barre, French Prime Minister from 1978 to 1981; Pehr Gyllenhammar, Executive Chairman of Volvo; Olusegun Obasanjo, President of Nigeria from 1976 to 1979; I. G. Patel, former Governor of the Reserve Bank of India from 1972 to 1977 and Director of the London School of Economics from 1984 to 1989; Karl Otto Pohl, former president of the German Federal Bank between 1980 and 1991; David Scholey, a director of the Bank of England; Stanislav Shatalin, author in 1990 of the 500-day plan to establish a market economy in the former Soviet union; and Jesus Silva Herzog, a former Mexican Finance Minister.

⁴³ *Financing an Effective United Nations*, 3 and 28.

⁴⁴ *Ibid.*, 5.

⁴⁵ *Ibid.*, 7.

⁴⁶ *Ibid.*, 10.

⁴⁷ *Ibid.*, 9.

⁴⁸ *Ibid.*, 12.

⁴⁹ *Ibid.*

⁵⁰ *Ibid.*, 13.

⁵¹ *Ibid.*, 18.

⁵² *Ibid.*, 19.

⁵³ *Ibid.*

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*, 20.

⁵⁶ *Ibid.*, 23.

⁵⁷ *Ibid.*, 24.

⁵⁸ Congressional Research Service, CRS Issue Brief, by Marjorie Ann Browne, updated February 2, 1993, Order Code IB90103.

⁵⁹ *Ibid.*, 1.

⁶⁰ *Ibid.*, 2.

⁶¹ *Ibid.*, 7-8.

⁶² *Ibid.*, 10-11.

⁶³ ST/ADM/SER.B/403/February 10, 1993.

⁶⁴ *Status*, 2.

⁶⁵ The contents of this document are worth recording and comparing with those examined later because they reflect both the changing membership of the United Nations and the inability of certain newly-created states to fulfill their dues. It includes new assessment percentages. It should be noted, too, that, because the fiscal years of many countries do not coincide with the calendar fiscal years of the United Nations, the state of contributions may be distorted. This may have prevented countries from being able to respond within the 30-day statutory period to the assessment letter sent out by the United Nations December 30, 1992. But the figures contained in this document present a broadly fair picture of the main defaulters. In addition, the status of contributions has had to take account of new states emerging from the dissolution of the Soviet Union and Yugoslavia.

On page 74 is recorded the status of contributions of new member states since 1991. The 16—Armenia, Azerbaijan, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Tajikistan, Turkmenistan, Uzbekistan, Bosnia and Herzegovina, Croatia, Slovenia, and San Marino—had been assessed at \$15.7 million toward the regular budget. Total assessments, including contributions toward 11 peacekeeping operations, amounted to \$21.6 million. The sum outstanding at the end of January 1993 was \$21.5 million. The main defaulters were Kazakhstan, Uzbekistan, Azerbaijan, and Lithuania. San Marino owed \$209,555!

⁶⁶ Browne, CRS, 4-8.

⁶⁷ *Ibid.*, 9-73.

⁶⁸ Interview with the *New York Times* of May 3, 1992.

⁶⁹ Boutros-Ghali, *An Agenda for Peace*, para. 47.

⁷⁰ U.N. Press Release SG/SM/4752/May 18, 1992.

⁷¹ Reuter from Moscow, September 5, 1992.

⁷² *Ibid.*

⁷³ Copy passed to author from CRS marked "Committee on Foreign Affairs."

⁷⁴ *Ibid.*

⁷⁵ *Ibid.*

⁷⁶ See William Shawcross, *Sideshow* (London: Andre Deutsch, 1979).

⁷⁷ Browne, CRS, 10.

⁷⁸ Hearing held, June 2, 1992, by the Committee on Governmental Affairs.

79 "The United Nations in 1992: Problems and Opportunities," *International Affairs* 68, no. 2 (April 1992), 315.

80 William J. Durch and Barry M. Blechman, *Keeping the Peace: The United Nations in the Emerging World Order* (Washington, D.C.: The Henry L. Stimson Center, 1992).

81 These were: John G. Stoessinger, *Financing the United Nations System* (Washington, D. C.: Brookings Institution, 1964); and Ernest W. Lefever, *Crisis in the Congo: A United Nations Force in Action* (Washington, D. C.: Brookings Institution, 1965).

82 Stoessinger, *Financing the United Nations System*, 35 ff.

83 *Ibid.*, 41-42.

84 *Ibid.*, 63 ff.

85 *Ibid.*, 64.

86 Ensio Siilasvuo, *In the Service of Peace in the Middle East, 1967-79* (London: Hurst & Company, and New York: St. Martin's Press, 1992), 254.

87 United Nations PS/DPI/15/Rev 1/April 1992.

88 Brian Urquhart, *A Life in Peace and War* (London: Weidenfeld and Nicholson, 1987), 358.

89 A special issue on U.N. peacekeeping of *Survival* XXXII, no. 3 (May/June 1990), 265-266.

90 At crucial moments the Soviet Union chose to absent itself from the U.N. Security Council, thereby enabling the authorization of U.N. forces under U.S. command to be sent to the Korean peninsula. See Edmund Jan Osmanczyk, *The Encyclopedia of the United Nations and International Agreements* (Philadelphia: Taylor and Francis, 1985), 442-443. Max Hastings, *The Korean War* (London: Pan Books, 1988), 50-51, observes that "The U.N. resolution (of June 1950) on Korea passed into history. It was a landmark event....Here, for once, was no mere vote for a peacekeeping force...but unequivocal support for one combatant against another....The U.N. intervention in Korea was a fluke of history, made possible by the unique accident of the Russian boycott." To this might be added, as examples of peace enforcement, the Congo operation and Operation Desert Storm against Iraq, following its invasion of Kuwait in 1990.

91 Lefever, *Crisis in the Congo*, 159.

92 Stoessinger, *Financing the United Nations System*, 3.

93 *Ibid.*, 30.

94 *Ibid.*, 31-33.

95 *Ibid.*, 39.

96 *Ibid.*, 7.

97 *Ibid.*, 14.

98 *Ibid.*, 17.

99 U.N. document A/46/600/Add. 2.

¹⁰⁰ Congressional Research Service, drawing on U.N. Status of Contributions as of July 31, 1992 and additional information from the U.S. State Department on September 9, 1992.

¹⁰¹ International Operations Subcommittee, Human Rights and International Organizations Subcommittee, House Foreign Affairs Committee, 1-2.

¹⁰² *Ibid.*

¹⁰³ *Ibid.*, 7-8.

¹⁰⁴ *Ibid.*, 8.

¹⁰⁵ *Ibid.*, 12.

¹⁰⁶ Congressional Research Service, CRS Issue Brief, *United Nations Peacekeeping: Issues for Congress*, by Marjorie Ann Brown, updated August 27, 1992, Order Code IB90103.

¹⁰⁷ Status of Contributions as at July 31, 1992. UN ST/ADM/SER.B/385.

¹⁰⁸ Paul Lewis, "With U.S. the Biggest Debtor, President Finds U.N. Skeptical" *New York Times*, (September 22, 1992), A14, drawing on information from the U.N. Under-Secretary General for Administration and Management.

¹⁰⁹ One of the outstanding analyses of assessments in general and in a special context comes in Susan R. Mills, *The Financing of United Nations Peacekeeping Operations. The Need for a Sound Financial Basis*, Occasional Paper Number 3, International Peace Academy, Washington, 1989. The assessments system is treated also by Durch and Blechman among others. See also U.N. General Assembly, Fifth Committee, *Scale of Assessments for the Apportionment of the Expenses of the United Nations*, U.N. Doc. A/C.5/46/L.20, December 19, 1991. Information on the U.N. budgets and national and personal attitudes toward them is also drawn from interviews by the author conducted in Washington and New York in May 1992 and February 1993.

¹¹⁰ GAO, 49-50.

¹¹¹ For a detailed account of this process, consult C. H. Beck, in Rüdiger Wolfrum (ed.), *Handbuch der Vereinigten Nationen* (Munich, 1991), 45-52. I am grateful to Dr. Peter Praxmarer for help in the translation of this chapter.

¹¹² GAO, 22.

¹¹³ See "The Financial Situation..." Annex 1.

¹¹⁴ Stoessinger, *Financing the United Nations System*, 67.

¹¹⁵ United Nations General Assembly, *Scale of Assessments for the Apportionment of the Expenses of the United Nations*.

¹¹⁶ Mills, *The Financing of United Nations Peacekeeping Operations*, 5.

¹¹⁷ "The Financial Situation..." Annex II

¹¹⁸ *Ibid.*

¹¹⁹ Durch and Blechman, *Keeping the Peace*, 49.

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- ¹²⁰ Source: an interview in New York.
- ¹²¹ Mills, *The Financing of United Nations Peacekeeping Operations*, 6.
- ¹²² Communications and Project Management Division, Department of Public Information, New York, April 1992.
- ¹²³ For details of missions and their backgrounds see particularly: *The Blue Helmets*, Alan James, *Peacekeeping in International Politics* (London: Macmillan, 1990); Augustus Richard Norton and Thomas G. Weiss, *U.N. Peacekeeping: Soldiers With a Difference* (New York: Foreign Policy Association, 1990).
- ¹²⁴ Skjelsbaek, 40.
- ¹²⁵ Mills, *The Financing of United Nations Peacekeeping Operations*, 14-15.
- ¹²⁶ Durch and Blechman, *Keeping the Peace*, 57-58.
- ¹²⁷ Mills, *The Financing of United Nations Peacekeeping Operations*, 16-17.
- ¹²⁸ Report To The Congress ID-79-26
- ¹²⁹ Durch and Blechman, *Keeping the Peace*, 57-59.
- ¹³⁰ Status of Contributions as at December 31, 1991, ST/ADM/SER.B/364/January 8, 1992.
- ¹³¹ U.N. General Assembly, *Scale of Assessments*.
- ¹³² Report: A/46/830.
- ¹³³ See Durch and Blechman, *Keeping the Peace*, 50; and Mills, *The Financing of United Nations Peacekeeping Operations*, 11.
- ¹³⁴ For a detailed discussion of the Bond Issue and the controversy caused, see also Stoessinger, *Financing the United Nations System*, 126-133.
- ¹³⁵ *Ibid.*, 166 ff.
- ¹³⁶ Mills, *The Financing of United Nations Peacekeeping Operations*, 13.
- ¹³⁷ Durch and Blechman, *Keeping the Peace*, 51, quoting Paul Lewis in *The New York Times*, November 25, 1991.
- ¹³⁸ Stoessinger, *Financing the United Nations System*, 35-37.
- ¹³⁹ A/47/1, September 11, 1992.
- ¹⁴⁰ *The Cost of Peace: U.N. Peacekeeping: Its Cost and Financing*, by P. K. Williams (U.K. Foreign & Commonwealth Office), Seaford House Papers, selected theses written by members of the course at The Royal College of Defence Studies, London, 1989, 114).
- ¹⁴¹ Congressional Research Service, The Library of Congress, *United National Peacekeeping: Historical Overview and Current Issues*, by Marjorie Ann Browne, January 31, 1990, 7.
- ¹⁴² Mills, *The Financing of United Nations Peacekeeping Operations*, 15.
- ¹⁴³ Lefever, *Crisis in the Congo*, 160.
- ¹⁴⁴ A valuable guide through the thickets of U.N. documents and reports is Dr. Juergen Dedring and Patricia McSherry, "Peacekeeping, Mediation and Good Offices. A Documentary Essay," (un-

published manuscript, New York, United Nations, November 4, 1991).

¹⁴⁵ Kjell Skjelsbaek (ed.), *The Cyprus Conflict and the Role of the United Nations*, (NUPI Report no. 122, Norwegian Institute of International Affairs, Oslo, November 1988), 29-30.

¹⁴⁶ S/15812, para.67.

¹⁴⁷ S/21294.

¹⁴⁸ S/21351.

¹⁴⁹ S/21982/December 7, 1990.

¹⁵⁰ S/21988/December 1990.

¹⁵¹ S/RES/682/(1990), on December 21, 1990.

¹⁵² United Nations Peace-Keeping Operations: Information

¹⁵³ Bjoern Skogmo, *UNIFIL: The U.N. Security Council and the Crisis in Lebanon*, (Draft report, Norwegian Institute of International Affairs, Oslo, April 1986), 201.

¹⁵⁴ *The Blue Helmets*, 336.

¹⁵⁵ Anthony McDermott and Kjell Skjelsbaek, (eds.) *UNIFIL and the Lebanese*, (NUPI Report no. 123, Norwegian Institute of International Affairs, Oslo, December 1988).

¹⁵⁶ Bjoern Skogmo, *UNIFIL: International Peacekeeping in Lebanon, 1978-1988* (Boulder: Lynne Rienner, 1989), 156-57.

¹⁵⁷ This passage is based on *The Blue Helmets*, 154-155.

¹⁵⁸ Durch and Blechman, *Keeping the Peace*, 62-63.

¹⁵⁹ U.N. Doc S/20862/September 22, 1989.

¹⁶⁰ *The Blue Helmets*, 333.

¹⁶¹ *Ibid.*, 442.

¹⁶² Williams, Annex III.

¹⁶³ U.N. Doc ST/ADM/SER.B/376.

¹⁶⁴ This passage draws considerably on pp. 16 passim.

¹⁶⁵ A/44/835, dated December 1, 1989, followed by A/44/874, dated December 14, 1989.

¹⁶⁶ A/C.5/45/L.9-13/December 18, 1990.

¹⁶⁷ *The Blue Helmets*, 445.

¹⁶⁸ F. T. Liu, *United Nations Peacekeeping and the Non-Use of Force* (Boulder: Lynne Rienner Publishers, 1992), 13-14.

¹⁶⁹ Dedring, "Peacekeeping, Mediation and Good Offices," 27.

¹⁷⁰ *The Blue Helmets*, 384.

¹⁷¹ *Ibid.*, 367.

¹⁷² Mills, *The Financing of United Nations Peacekeeping Operations*, 250.

¹⁷³ Dedring, "Peacekeeping, Mediation and Good Offices," 40-41.

¹⁷⁴ Allen, 265.

¹⁷⁵ Allen, 268.

¹⁷⁶ State Department press release, May 7, 1992.

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- 177 *Ibid.*
178 *Ibid.*
179 *Ibid.*
180 Urquhart/RIIA above p. 317.
181 Thomas G. Weiss and Jarat Chopra, *United Nations Peacekeeping: An ACUNS Teaching Text* (Hanover, New Hampshire: The Academic Council on the United Nations System, 1992), 31.
182 Durch and Blechman, *Keeping the Peace*, 54-55.
183 Boutros-Ghali; John M. Goshko, *Washington Post* (November 22, 1992).
184 *Special Committee on Peacekeeping Operations: Comprehensive Review of the whole Question of Peacekeeping Operations in all their Aspects. Report of the Secretary-General, A/AC.121/39/Rev.1.* April 14, 1992.
185 *Special Committee on Peacekeeping Operations*, 5.
186 *Ibid.*
187 *Ibid.*, 9.
188 *Ibid.*
189 A/46/591-S/23159/October 23, 1991.
190 *Ibid.*, 15.
191 *Ibid.*
192 *The Financial Situation of the United Nations. Proposals to address the problems of today and tomorrow. Report of the Secretary-General, A/46/600/Add.1.*
193 *Ibid.*
194 Durch and Blechman, *Keeping the Peace*, 50, note 22.
195 *Ibid.*
196 *Ibid.*
197 General Assembly Resolutions 2947 A and B (XXVII), 36/116 B, 40/2 41 B and 42/216 A.
198 *Ibid.*
199 *Ibid.*
200 *Ibid.*
201 Stoessinger, *Financing the United Nations System*, 102.
202 *Ibid.*, 169-71.
203 *The Financial Situation of the United Nations*, Proposal 3.
204 Reuter, Geneva, May 5, 1992.
205 *Ibid.*
206 *Ibid.*
207 Inter Press Service June 3, 1993.
208 Durch and Blechman, *Keeping the Peace*, 58, footnote 32.
209 *The Financial Situation of the United Nations*, Proposal 3.
210 Stoessinger, *Financing the United Nations System*, 32.
211 *Ibid.*, 249 ff.

²¹² Durch and Blechman, *Keeping the Peace*, 3-4.

²¹³ Paul Taylor, "The United Nations System Under Stress: Financial Pressures and Their Consequences," *Review of International Studies* 17, no. 4 (October, 1991), 365-382.

²¹⁴ *Ibid.*

²¹⁵ *Ibid.*

²¹⁶ *Ibid.*

²¹⁷ *Ibid.*

²¹⁸ *Ibid.*

²¹⁹ *Ibid.*

²²⁰ *Ibid.*

²²¹ *Ibid.*

²²² "The Collective Security Idea and Changing World Politics," by Leon Gordenker and Thomas G. Weiss, *Collective Security in a Changing World*, Occasional Paper Number 10, The Thomas J. Watson Jr. Institute for International Studies, Brown University, Rhode Island, 1992, 17-18.

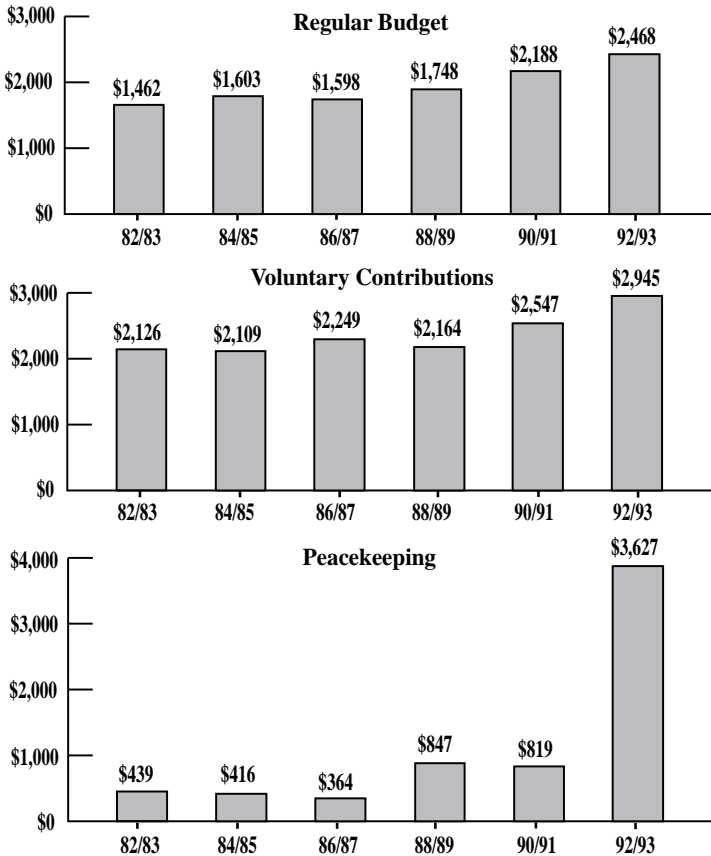
²²³ *Security Dialogue*, Oslo, International Peace Research Institute, 24, no. 1, (March 1993) 17.

²²⁴ Letter from President Bush to Thomas S. Foley, Speaker of the House of Representatives, dated January 19, 1993, 4.

²²⁵ Congressional Research Service, CRS Issue Brief, *United Nations Peacekeeping: Issues for Congress*, by Marjorie Ann Browne, updated April 7, 1992.

ANNEX 1

**Growth in Biennial U.N. Expenditures
1982/1983—1992/1993 (millions of \$)**



Notes:

The U.N. spent approximately \$1.4 billion on peacekeeping in the 1992 calendar year. This figure is based on appropriations granted through December 1992 plus estimates for new activities projected for 1993.

Source: *Financing an Effective United Nations*, Ford Foundation, February 1993.

ANNEX 2

**U.S. Contributions to U.N. Peacekeeping Operations: Payments
and Contributions Outstanding, Calendar Years 1991-1992,
Information as of December 31, 1992 (In U.S. Dollars—\$)**

Peacekeeping Operation	Paid 991	Outstanding 12/31/91	Assessed 1992	Paid 1992	Outstanding Contributions 1992
UNDOF	11,879,184	779,227	10,925,534 through 10/31	11,311,271	393,490
UNIFIL	70,762,446	103,589,103	44,644,401 through 1/31/93	104,610,938	43,622,566
UNIIMOG	Ended 2/91				
UNAVEM I	4,546,663	Ended 5/91			0
UNAVEM II	11,451,743	362,634	17,584,218 through 10/31	17,946,852	0
ONUCA	8,124,220	0	3,769,088 through 4/30	Pending UN clarification ONUCA ceased 1/17	3,769,088
UNIKOM	18,521,240	0	18,865,181 through 10/8	18,865,181	0
MINURSO	11,451,744	31,983,225		31,983,225	0
ONUSAL	0	4,191,626	11,441,334 through 10/31	15,632,960	0
UNAMIC			10,201,916 through 4/30	10,201,916	0
UNTAC			244,917,486 through 10/31	244,917,486	0
UNPROFOR			76,422,766 through 10/14	76,422,766	0
UNOSOM			33,319,749 through 4/30/93	0	33,319,749
TOTALS	136,737,240*	140,905,815	450,728,829**	531,892,595	81,104,893
UN regular budget (for comparison purposes)	301,326,450	266,407,875	298,619,001	325,495,229	239,531,647

Notes:

United Nations, Status of Contributions, as of December 31, 1991 and as of October 31, 1992. This data was supplemented with information from the State Department, January 7, 1993.

* The Total Paid—1991 column does not include \$6,893,000 paid in 1991 for UNTAG; this operation completed its mandate and was terminated March 31, 1990.

** The Assessed 1992 column presents all bills received in 1992.

ANNEX 3

United Nations Peacekeeping Operations*

FORCES

U.N. Emergency Force I 1956-1967	UNEF I—Gaza; Egyptian side in Sinai
U.N. Operation in the Congo 1960-196	ONUC
U.N. Security Force in West New Guinea October 1962-April 1963	UNSF
*U.N. Forces in Cyprus 1964	UNFICYP
U.N. Emergency Force II 1973-1979	UNEF II—Suez Canal sector; Sinai Peninsula
* U.N. Disengagement Observer Force 1974-present	UNDOF—Israel-Syria: Golan Heights
*U.N. Interim Force in Lebanon 1978-present	UNIFIL—Southern Lebanon
U.N. Transition Assistance Group April 1989-March 1990	UNTAG—Namibia
*U.N. Mission for the Referendum in Western Sahara April 29, 1991	MINURSO
*U.N. Protection Force February 21, 1992	UNPROFOR—Yugoslavia

*U.N. Transitional Authority in Cambodia February 28, 1992	UNTAC
*U.N. Operation in Somalia April 24, 1992	UNOSOM
*U.N. Operation in Mozambique December 16, 1992	ONUMOZ—Mozambique
*U.N. Truce Supervision Organization in Palestine 1948	UNTSO—Middle East
*U.N. Military Observer Group in India and Pakistan 1948	UNMOGIP—Jammu, Kashmir, and Pakistan
*U.N. Military Observer Group in Lebanon June-December 1958	UNIGOL
U.N. Yemen Observer Mission July 1963-September 1964	UNYOM
U.N. India/Pakistan Observer Mission September 1965-March 1966	UNIPOM—India-Pakistan border between Kashmir and Arabian Sea
Mission of Representative of the Secretary General in the Dominican Republic May 1965-October 1966	DOMREP

U.N. Good Offices Mission in Afghanistan and Pakistan April 1988-February 1991	UNGOMAP
U.N. Iran-Iraq Military Observer Mission August 1988-March 1990	UNIIMOG
U.N. Angola Verification Mission January 1989-May 1991	UNAVEM
U.N. Observer Group in Central America November 1989-January 1992	ONUCA
*U.N. Iraq-Kuwait Observer Mission April 1991	UNIKOM
U.N. Observer Mission in El Salvador May 20, 1991	ONUSAL
*U.N. Angola Verification Mission II May 31, 1991	UNAVEM II
U.N. Advance Mission in Cambodia October 16, 1991-March 16, 1992	UNAMIC

Notes:

Source: Congressional Research Service, Library of Congress,
Order Code 1B90103, February 1993.

* Operations still in existence.

APPENDIX 4

**United Nations Peacekeeping Operations
Established Since January 1990**

United Nations Iraq-Kuwait Observer Mission (UNIKOM)

Established by S/RES/689 (1991), adopted April 9, 1991 (see also S/RES/687 [1991]).

Located within a demilitarized zone on both sides of Iraq-Kuwait border.

Mandate is to monitor Khor Abdullah waterway between the two countries and the demilitarized zone established along the boundary; to deter violations of boundary through its presence and surveillance; to observe and report any hostile or potentially hostile action mounted from the territory of one state to the other.

Composed of up to 300 military observers and up to five infantry companies to protect the observers. The infantry companies have been removed.

Cost estimated at \$75.1 million for April 9-October 8, 1991; \$39.2 million for October 9, 1991-April 8, 1992.

Financed from special assessed account, established by General Assembly on May 3, 1991.

United Nations Mission for the Referendum in Western Sahara (MINURSO)

Established by S/RES/690 (1991), adopted April 29, 1991.

Located in the territory of Western Sahara and designated neighboring countries, particularly the Tindouf refugee camps.

Mandate is to assist Special Representatives of the Secretary-General in enabling the people of the Territory of Western Sahara to exercise their right to self-determination and independence.

Composed of three units: Civilian Unit; Security Unit (300 police officers); and Military Unit (1,695 all ranks), including 550 military observers, 700-person infantry battalion, and 400 others including air support and logistics.

Cost estimated at \$180,617,000 over 9-month period autho-

rized; repatriation part of the operation to be carried out by UNHCR and financed (cost of \$34.5 million) from voluntary contributions.

Financed from special assessed account, established by General Assembly on May 17, 1991.

United Nations Observer Mission in El Salvador (ONUSAL)

Established by S/RES/693 (1991), adopted May 20, 1991.

Located in El Salvador.

Mandate is to monitor agreements between El Salvador and the FMLN. S/RES/693 (1992) approved functions relative to Agreement on Human Rights, of July 26, 1990, including active monitoring and investigating specific cases of alleged violations of human rights. Mandate enlarged on January 14, 1992, by S/RES/729 (1992), to include verification and monitoring of all agreements signed on January 16, 1992 in Mexico City. Mandate extended until May 31, 1993.

Composed of Civilian Unit; Military Liaison Unit of 15 military officers; and Civilian Police Unit of 64 police officers. Enlarged mandate added Military Division, with authorized strength of 373 observers, and Police Division, with authorized core strength of 631 observers.

Cost estimated at \$23 million for initial 12-month period (July 7, 1991-June 30, 1992); appropriated \$13.8 million for July 1-December 31, 1991, plus \$9.2 million for January 1-June 30, 1992.

Financed from special assessed account, established by General Assembly on June 21, 1991.

United Nations Angola Verification Mission II (UNAVEM II)

Established by S/RES/696 (1991), adopted May 30, 1991.

Located in Angola.

Mandate is to monitor and verify implementation of May 1, 1991, Peace Accords for Angola between the government of Angola and UNITA. S/RES/747 (1992), March 24, 1992, expanded the mandate to include verification of free and fair multi-party elections planned for September.

Duration: 17 months (July 1, 1991-October 31, 1992)

Composed of 350 military observers; up to 90 police observers, and others including an air unit. Expanded mandate would require 400 electoral observers.

Cost estimated at \$132.2 million for the 17-month period. Cost of expanded mandate estimated at \$18.8 million.

Financed from a special assessed account.

United Nations Advance Mission in Cambodia (UNAMIC)

Established by S/RES/717 (1991), adopted October 16, 1991.

Absorbed into UNTAC, March 15, 1992.

Located in Cambodia.

Mandate is to maintain the cease-fire by addressing and resolving any violations or alleged violations. Mandate expanded by S/RES/728, January 8, 1992, to set up a mine clearing program, including training.

Composed of 50 observers, 20-person mine awareness unit, 40-person military communications unit, and air support unit of 112. Expanded mandate added 1,000 military including 700-person field engineering battalion.

Cost estimated at \$15.8 million, November 1991-April 30, 1992; expanded mandate added \$24.7 million to cost, through April 30, 1992, and \$38.874 million from May 1-October 31, 1992 period.

Financed from a special assessed account, approved by the General Assembly December 1991 and February 14, 1992.

United Nations Protection Force (UNPROFOR)

Established by S/RES/743 (1992), adopted February 21, 1992.

Located in various parts of Yugoslavia.

Mandate is to create conditions of peace and security required for negotiation of an overall settlement of the Yugoslav crisis.

Composed of Military Component (12 infantry battalions, 10,400 all ranks, lightly armed) and 100 military observers, unarmed; Police Component of 528 unarmed civilian police monitors; plus 519 member Civilian Component, air unit, and 2,740 military logistics and support personnel.

Cost estimated at \$634 million for first 12 months (\$275.7 million for military, \$31.7 million for civilian police monitors,

and \$36.2 million for civilian component).

Financed from special assessed account, with an initial \$250 million assessment approved by General Assembly, March 19, 1992.

United Nations Transitional Authority in Cambodia (UNTAC)

Established by S/RES/745 (1992), adopted February 28, 1992. Located in Cambodia.

Mandate is to implement Paris Agreement on a comprehensive political settlement of Cambodian conflict, signed October 23, 1991, in its aspects relating to human rights, organization and conduct of free and fair general elections, military arrangements, civil administration, maintenance of law and order, repatriation and resettlement of Cambodian refugees and displaced persons, and rehabilitation of essential infrastructures during transitional period (October 23, 1991 through creation of new Cambodian government).

Duration: 18 months.

Composed of 7 components (totaling an estimated 22,000), including Military Component (totaling 15,900) of 485-person military observer group, 12 battalions of infantry (10,200 all ranks), and various related elements; and a Police Component of 3,600 civilian police monitors.

Cost of entire operation tentatively estimated at \$1.9 billion, excluding cost of the repatriation program.

Financed from a special assessed account, with an initial appropriation of \$200 million approved by the General Assembly on February 14, 1992.

United Nations Operation in Somalia (UNOSOM)

Established by S/RES/751 (1992), adopted April 24, 1992.

Located in Mogadishu.

Mandate is multiple. The observer unit is to monitor implementation of a March 3 cease-fire. A security force is to provide security for U.N. personnel, equipment, and supplies at the Mogadishu port and to escort deliveries of humanitarian supplies from there to distribution centers in Mogadishu and its immediate environs.

Composed of a 50-member observer unit and a 500-member security force.

Duration: for an initial six months; extended to April 30, 1993.

Cost estimated at \$109.6 million through April 30, 1993.

Financed from a special assessed account established December 1, 1992.

United Nations Operation in Mozambique (ONUMOZ)

Established by S/RES/797 (1992), adopted December 16, 1992.

Located in Mozambique.

Mandate is to implement the General Peace Agreement for Mozambique, October 4, 1992. Includes four highly related functions—political, military, electoral, and humanitarian.

Composed of a Military Component (contemplated, not agreed to); and Electoral Component; an Office for the Coordination of Humanitarian Assistance; and an Administrative Component.

Duration: October 31, 1993.

Cost estimated at \$330 million.

Financed: undetermined.

Notes:

Source: Congressional Research Service, Library of Congress, Order Code 1B90103, February 1993.

ABOUT THE AUTHOR

Anthony McDermott is currently contributing to a study by The Thomas J. Watson Jr. Institute for International Studies at Brown University, Providence, Rhode Island on Second Generation Multinational Forces. He is the World Trade Page Editor of the *Financial Times* in London. He is also the author of *Egypt: from Nasser to Mubarak, A Flawed Revolution* and with Kjell Skjelsbaek co-author of *The Multinational Force in Beirut, 1982-84*.

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