

## **Peace Implementation Network**

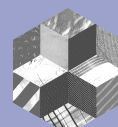
---

**Fafo Programme for International Co-operation  
and Conflict Resolution (PICCR)**

Dirk Salomons and Dennis Dijkzeul

# **The Conjurers' Hat**

Financing United Nations Peace-building  
in Operations Directed by Special  
Representatives of the Secretary-General



**CENTER ON  
INTERNATIONAL  
COOPERATION**

Dirk Salomons and Dennis Dijkzeul

## **The Conjurers' Hat**

Financing United Nations Peace-building  
in Operations Directed by Special  
Representatives of the Secretary-General

Center on International Cooperation, New York University  
and the  
Programme for International Co-operation and Conflict Resolution,  
Fafo Institute for Applied Social Science

**Fafo-report 359**

© Fafo Institute for Applied Social Science 2001 and  
Center on International Cooperation, New York University  
ISBN 82-7422-341-1  
ISSN 0801-6143

Printed in Norway by: Centraltrykkeriet AS

Editor: Mark Taylor

# Contents

<b>Preface .....</b>	<b>5</b>
<b>1 Executive Summary .....</b>	<b>9</b>
From Crisis to Reform .....	9
Multidimensional Peace Operations .....	11
Administering Multidimensional Operations .....	13
What Remains to be Done .....	15
<b>2 From Crisis to Reform in the Financing of Peace Operations .....</b>	<b>18</b>
2.1 The Pathology .....	18
2.2 Reaching a Diagnosis: 1992 to 1994 .....	20
2.3 Taking Remedial Action .....	25
2.4 The Follow-up .....	28
2.5 A Case Apart: Funding Political Missions .....	30
<b>3 Linking Peacekeeping to Peace-building: A new focus for reform .....</b>	<b>33</b>
3.1 The Brahimi Report .....	34
3.2 Implementing Reforms: implications for the financing of peace operations .....	36
3.3 Beyond Brahimi: refashioning the dialogue about reform .....	39
<b>4 The Kindness of Strangers: Voluntary funding in support of mandatory programmes .....</b>	<b>43</b>
4.1 Mobilizing Resources: From conferences to direct marketing .....	44
4.2 Key Financial Extra-budgetary Instruments For Collaboration .....	45
4.3 The Mechanics of Trust Fund Administration .....	48
4.4 The Mechanics of Cost Sharing .....	51

<b>5 Case Studies .....</b>	<b>53</b>
5.1 The UN Observer Mission in El Salvador (ONUSAL), 1990–1995 .....	53
5.2 The UN Transitional Authority in Cambodia (UNTAC), 1991–1993 .....	62
5.3 The UN Operation in Mozambique (ONUMOZ), 1992–1994 .....	69
5.4 The UN Special Co-ordinator in the Occupied Territories, West Bank and Gaza (UNSCO), 1994–1999 .....	76
5.5 The UN Mission in Bosnia and Herzegovina (UNMIBH), 1995-to date .....	81
5.6 The Five New Missions of 1999–2000: From peacekeeping to peace-building .....	85
 <b>Annexes .....</b>	 <b>99</b>
Bibliography .....	101
Key United Nations Documents .....	102
Interviews Conducted (1999–2001) .....	106
About the Authors .....	108
About CIC .....	108
About PICCR .....	109

## Preface

Since the early 1990s, the United Nations has been charged by its Member States with involvements in a series of complex emergencies, often caused by intra-state conflicts. The United Nations has been called upon to undertake a wide range of political and peacekeeping missions, often at very short notice, with extremely limited resources, encumbered with unclear mandates, and executed under difficult conditions.

While the broad leadership and overall guidance for these missions has come from the Security Council and from the Secretary-General, it has been the Special Representatives of the Secretary-General (SRSG), heading these missions and working on the ground, who often bore the brunt of the challenges posed by these ventures. Much of the operational experience of the early 1990s indicated that the capacity of these mission leaders and senior managers to pursue their mandates, to adapt to local complexities and to meet changing realities was hampered by financial and procedural problems in the administration of peacekeeping and peace-building.

That view was discussed by practitioners in a July 1998 forum held in New York on the role and function of the Special Representative of the Secretary-General (SRSG) in United Nations' peace implementation. The forum report, entitled *Command from the Saddle*,<sup>1</sup> focused on UN operations in the field and on ways the Organisation could strengthen peace-building activities through the more effective exercise of the SRSG function. The recommendations described in the report addressed a wide range of issues related to the SRSG's functions, mandate, profile, sources of authority, relations with the UN system, and managerial challenges, including the financing of peace-building missions headed by SRSGs.

As follow-up, the Fafo Institute's Programme on International Co-operation and Conflict Resolution (PICCR) invited the Center on International Cooperation (CIC) at New York University to collaborate with it on a study addressing funding and financial management issues related to peacekeeping and peace-building. Together PICCR and CIC engaged the Praxis Group to carry out the study.

The authors of this report examined the financing of ten missions led by SRSGs. Eight had a peacekeeping mandate with strong cross-sectoral peace-building and

<sup>1</sup> *Command from the Saddle: Managing United Nations Peace-building missions*, Programme for International Co-operation and Conflict Resolution, Fafo Institute Report 266, Oslo, January 1999.

post-conflict recovery elements; one was a peace-building mission with a purely political and development-oriented context; and one represented the classical peace-keeping model. Each case study, included here as annexes, contains a brief historical account of the impact that funding mechanisms and resource flows had on implementation of that particular mission.

Based on these case studies, the report describes the internal reform process related to the financing of peacekeeping and peace-building and the resulting structural changes brought about in the procedures for authorizing disbursements and allocating funding in support of peace operations. The authors subsequently updated their findings through June 2001, in light of the continuing reform efforts emanating from the Panel on UN Peace Operations and the Secretary-General's subsequent implementation and follow-up work. This report also examines the different voluntary funding processes and mechanisms that can support mission objectives, including the trust fund mechanisms offered by various agencies, as well as the manner in which they can be incorporated into an SRSG's operational plan.

The analysis illustrates two general conclusions. First, reforms have had an impact. Until the mid-late 1990s, UN Secretariat staff were trapped in a maze of financial rules and regulations designed for a static organisation and never intended to allow for operational flexibility. The system has merit with regard to the regular budget, where future needs can be forecast well in advance, but it wreaked havoc upon the peacekeeping account, where a rapid response capacity is of the essence. Reforms initiated in 1994 by the General Assembly, many of which took effect in 1996, have resulted in significant improvement in the efficiency of UN administrative practices related to the financing of peacekeeping. These have been carried forward by the Secretary-General's agenda for reform and by 2000 similar reforms had been initiated for the financing of political missions and peace-building.

Second, the case studies also show that, despite these reforms, obstacles remain to deploying integrated peace operations. These obstacles stem in part from problems posed by the financing of peace-building. Central among these is the fact that the Security Council has no authority to impose any expenditure on the Member States beyond the traditional military/administrative intervention model. Thus, assessed contributions may not be used for the humanitarian or development activities normally associated with peace-building. The result is that, while assessed contributions from either peacekeeping accounts or the regular budget will normally cover the core peacekeeping costs of the typical missions headed by SRSGs, they by no means provide all the tools and resources required to make the mission effective or successful. Voluntary funds must be sought on an ad-hoc basis in order to finance important peace-building activities, a practice that has helped to generate a proliferation of trust fund mechanisms and procedures that donors and UN agencies have so far failed to co-ordinate adequately.

Difficulties with the authorization of expenditures, timeliness of financial transfers, diverse reporting requirements, and a simple lack of financial support have affected the capacity of peace operations to implement their mandated tasks, creating problems of uncertainty that can further affect a mission's effectiveness. As the UN grapples with the organisational implications of increasingly multidimensional peace operations, Member States need to address themselves to the question of whether the financial procedures in place are appropriate for the complex tasks the Organisation is being asked to undertake.

Center on International Cooperation  
New York University

Programme for International Co-operation and Conflict Resolution,  
Fafo Institute for Applied Social Science, Oslo

September 2001





# 1 Executive Summary

Since the early 1990s, the United Nations has been forced to adapt to the demands of an increasing number of peace operations, both peacekeeping and political missions. At one point in 1994, the United Nations was involved in 29 field missions, with a combined annual budget of over US\$3 billion. The size and scope of the missions has not abated: since 1999, UN peacekeeping operations have been authorized for the Democratic Republic of Congo, Sierra Leone, Kosovo, East Timor, and the Ethiopian-Eritrean border. In these and other areas, UN peace operations have included the deployment of peacekeepers, political missions and the implementation of peace-building activities .

In an interview conducted for this report, a United Nations staff member summarised his experience with the implementation and administration of missions:

“I can finally come up with two lessons learned. ... Lesson learned number one is that you should never deploy a mission without totally properly planning it, totally financing it, totally staffing it, and totally equipping it to the last computer. ... Lesson number two is that when you realise that nobody has learned lesson number one, then you just make do with what you have and you try to implement what you're told to implement, you shut up and you get on with your work. Those are the only lessons we have learned so far”.

Much of the work carried out by the missions described in this report, often initiated by the SRSGs operating in the face of adversity, reflects this forced “muddling through” management style. In a sense, this renders the achievements of these missions even more remarkable, as many of them struggled with a “stop and go” resource flow that often made planning futile and thwarted even the best of plans.

## From Crisis to Reform

To a large extent, the systemic procedural problems that plagued the financing process for peacekeeping operations have been overcome since the General Assembly, at the end of 1994, adopted a series of reforms set out in resolution 49/233. Since 1996, mechanisms have been in place to ensure rapid start-up funding, and the budgetary

process has been standardised and streamlined. Budget cycles were harmonized, start-up funds were placed at the Secretary-General's immediate disposal, and standard cost manuals were introduced. All in all, these measures succeeded in bringing down the number of reports and amount of work without relinquishing financial oversight. Most importantly, they strengthened the Secretariat's capacity to support more effectively and speedily its peacekeeping missions in the field. In terms of practical steps, resolution 49/233 – and the procedural changes introduced in its wake – represented a vast improvement. In short, the UN has overcome the significant inefficiencies that characterized the financial administration of peacekeeping missions led by SRSGs at the beginning of the 1990s.

These procedural improvements, important as they may be, have not by themselves been sufficient to place the financing of peacekeeping on a solid and sustainable footing. None of these measures could fully attenuate the core problem: the delinquency of some Member States with regard to their assessed obligations; and the negative impact of the consequent fiscal uncertainty surrounding UN operations on the effectiveness and efficiency of the peacekeeping and political missions mandated by the Security Council. The levels of funding for many of these missions remains inadequate, reflecting the often lukewarm or token support given by key donor countries. Many Member States are still in arrears with their payments to the Peacekeeping Account and, as result, concerns remain about cash flow and liquidity.

Political missions and peace-building activities have faced the same liquidity problems. In addition, administrative change has been slower in coming. Improvements along the lines of those adopted for peacekeeping have only recently been introduced to facilitate the funding of political missions. Until the budgetary year 2000, there was no "reserve fund" to provide start-up costs for political missions. Also, there remains a significant lack of headquarters support for political missions as compared with that available to peacekeeping missions. As a result, the political missions until recently still suffered from the same administrative handicaps that were so successfully overcome for the peacekeeping operations: lack of start-up funding, complex and time consuming budgetary processes, and second tier attention with regard to logistics and staffing.

Changes are being made in this regard. For the biennium 2000–2001, the Fifth Committee considered a proposal by ACABQ that a provision for special political missions be included in the regular budget. The requirements were estimated at US\$112.6 million. The Fifth Committee accepted the principle that such a provision should be part and parcel of the regular budget,<sup>2</sup> although at a reduced level (US\$86.2 million was allotted for the biennium; a similar amount was included in

<sup>2</sup> A/RES/53/206

the budget for 2002/03). This decision has strengthened somewhat the Secretary-General's capacity to mobilise political missions at short notice, and it has belatedly created a parity of sorts in the manner peacekeeping and political missions are treated with respect to start-up funding. However, the level of funding appears inadequate in relation to the scope and number of current and future complex political crises that the Secretary-General must address. Moreover, the organisational responsibilities for the logistic and other types of operational support to political missions remain fragmented.

Thus, many of the problems with the budgetary process that SRSGs identified in the July 1998 Peace Implementation Network forum, which led to the *Command from the Saddle* report, have been addressed successfully in recent years or are being implemented at the time of writing. Although it is too early to fully assess the impact of these changes on peace-building and political missions, the worst inefficiencies that affected the budgeting and planning for peacekeeping and peace-building operations have been remedied. The problems of member state delinquency remain and, as described below, so do problems associated with voluntary funding for the peace-building activities essential to mission effectiveness.

## **Multidimensional Peace Operations**

Operational realities continue to change and to present new and more complex challenges. Increasingly, international efforts to support the transition from war to peace have required more than troops and administrators, a fact about which both the Security Council and the General Assembly are fully aware. The design of most operations approved by the Security Council implies as much: the missions approved after 1998 (such as Kosovo, East Timor, Sierra Leone and the Democratic Republic of Congo, described in section 5.6 below) indicate a gradual integration of traditional peacekeeping with post-conflict reconstruction, support to human rights and the rule of law, and other forms of institution and state building.

Part of the work of the Panel on United Nations Peace Operations sought to explore the organisational implications of integrating key peace-building activities in peacekeeping operations and political missions. In the Panel's report (the "Brahimi Report"),<sup>3</sup> of particular relevance to the financing of these activities was the recommendation that "a small percentage of a mission's first-year budget should be made available to the representative or special representative of the Secretary-General

<sup>3</sup> Report of the Panel on United Nations Peace Operations, convened by the Secretary-General, A/55/305

leading the mission to fund quick impact projects in its area of operations, with the advice of the United Nations country team's resident co-ordinator".<sup>4</sup>

If implemented, this would make resources available for humanitarian and development activities related to peace-building from the budgets financed through assessed contributions. In light of the demands of timeliness and ease of delivery, this makes good operational sense, particularly given that, as described below, voluntary contributions are not assured and their management present unique challenges. This is an avenue that the Security Council and General Assembly should pursue in the financing of future missions.

Another implication of the Panel's recommendations is organisational. Through mention of the resident co-ordinator in this context, the Panel linked strategic planning for peace operations directly to the need for a common system approach to development assistance.<sup>5</sup> In his April 2001 report to the Security Council, *No Exit Without Strategy*, the Secretary-General made this connection explicit.<sup>6</sup> "(S)ustainable development is indispensable to such a peace ... it is essential to ensure that all key parts of the United Nations system are fully engaged in a collaborative and constructive fashion. I wish to highlight this point because no single department or agency can be expected to devise and implement, on its own, all the elements of a comprehensive peace strategy. As a number of Security Council members said last November, a successful peacekeeping exit depends on a collaborative and inclusive United Nations system and the effectiveness of other international actors, including the international financial institutions and non-governmental organisations that are not part of the operation."

On 10 December 2000, the Secretary-General approved a "Note of guidance on relations between Representatives of the Secretary-General, Resident Co-ordinators and Humanitarian Co-ordinators". The Note, prepared jointly by the Departments of Political Affairs (DPA) and Peacekeeping Operations (DPKO), the United Nations Development Program (UNDP), the Office of the Co-ordinator of Humanitarian Affairs (OCHA) and the UN Development Group (UNDG), describes operational co-ordination at the senior management level, both in the field and through inter-agency teams at headquarters. It remains to be seen how the Note will be implemented, but it already has contributed to clarifying the roles of SRSGs, and Resident and Humanitarian Co-ordinators within the mandates for peace operations provided by the Security Council. Similarly, in response to the Brahimi

<sup>4</sup> Ibidem, para. 47 (a)

<sup>5</sup> A system wide approach was advocated in General Assembly resolution 49/277 (1994). The resident co-ordinator system was one of the outcomes of that resolution.

<sup>6</sup> S/2001/394 of 20 April 2001

Report, the Secretary-General initiated a range of measures, many of them included in a series of 18 different reports.<sup>7</sup> Most of these measures related to practical aspects of DPKO operational readiness, but an Action Plan on UN Peace-building, and a report on UN capacities for conflict prevention (both due in 2001) held the potential for significant clarification of operational roles for the different agencies involved in multidimensional peace operations.

## **Administering Multidimensional Operations**

In the 1990s, Member States responded to the need to strengthen the administration of peacekeeping operations. Today, as the UN grapples with the organisational implications of increasingly multidimensional peace operations, Member States need to ask whether the financial procedures in place are appropriate for the complex tasks the Organisation is being asked to undertake.

The cases studied in this report illustrate that the model for financing such multidimensional operations remains fragmented. The current financing authority for peacekeeping and peace-building does not give the Security Council the scope or control required to ensure an integrated response. The definition of “peace and security” as conceived in chapters VI and VII of the United Nations’ Charter places economic and social stability largely outside the Security Council’s reach. The Security Council has no authority to impose any expenditure on the Member States of the UN beyond the traditional military/administrative intervention model. In other words, while assessed contributions from either peacekeeping accounts or the regular budget will normally cover the core costs of the typical missions headed by SRSGs, they by no means provide all the tools and resources required to complete the mission successfully.

The limitation on the authority of the Security Council is based on the division of security and economic affairs as laid out in the Charter. The resulting fragmentation of financing would merely be a problem of operational co-ordination, were it not also a source of political and diplomatic in-fighting. Without those voluntary contributions, peacekeeping operations initiated by the Security Council would be doomed to failure. This places a disproportionate burden on those member states who are most committed to see peacekeeping and peace building succeed, rather than on the Organisation as a whole. The appearance of a double standard in how Member States share the burdens of peacekeeping and peace-building can undermine

<sup>7</sup> Report of the Secretary-General on the implementation of the report of the Panel on United Nations peace operations, A/55/502.

political and diplomatic support for missions at the Security Council or in the General Assembly. Any hint of a lack of political will in New York or in various capitals can have an immediate impact on operations, undermining the mission's ability to engage with the parties to the conflict with unambiguous international backing.

The fact that assessed contributions may not be used for humanitarian operations or post-conflict recovery means that voluntary funds must be sought on an ad-hoc basis to complement the activities funded from assessed contributions. Time and again, from missions as early as Mozambique to as recently as East Timor, as well as virtually all other SRSG-led peacekeeping missions described in this study, the Security Council has appealed to the Member States – as donor countries – to finance elements of an integrated peace-and-recovery plan that are essential for the success of the peacekeeping mission, but which fall outside the administrative and managerial jurisdiction of the mission.

If an SRSG wants to make effective use of extra-budgetary resources, this normally will require partnerships with a range of UN and non-UN actors. The United Nations has several existing tools for collaborative financing, including trust funds, cost-sharing projects, and parallel financing. Each of these instruments can be used at the global, regional and country level, and involve other multilateral organisations, governments, financial institutions, NGOs, or private sector institutions. Each of these financial tools, if properly applied, is at the disposal of the SRSG, and can contribute to the effective execution of joint operations.

In principle, this array of financial mechanisms and instruments should provide the SRSG with a wide range of options for the implementation of collaborative programs or projects in support of peacekeeping and political missions. However, attempts to combine assessed and voluntary resources in support of an integrated peace-building program are often stymied by procedural hurdles. Each agency interprets its financial instruments differently and subjects them to different regulations and procedures. The lack of compatibility of these instruments may present serious obstacles, particularly when reporting and accountability have to meet the standards of a variety of partners. Currently, the financial rules of the World Bank and its affiliate organisations differ substantively from those of the United Nations. Moreover, each of the United Nations' funds and programs (e.g., UNDP, UNHCR and UNICEF) has its own financial rules and regulations, including different provisions for the receipt of funds from the private sector. It is therefore essential that SRSGs and mission staff become familiar with the complexities of such collaborative arrangements before they enter into commitments.

In fact, the total financial input of every peace operation must be cobbled together from far too many sources (each with its own level of reliability and predictability). The traditional mechanism for raising funds for humanitarian and

development activities linked to political missions or peacekeeping operations is a multilateral pledging conference, which can be delayed or dominated by inter-governmental wrangling. However, the current obstacles facing multidimensional operations are not entirely due to inter-organisational or inter-departmental tensions, nor are they simply the result of political or diplomatic turbulence, although all of these can slow or halt disbursement and implementation. Donors' aid budgets are usually divided between relief and development, with no dedicated funds for the grey area in-between. Many pledges of aid are implemented either partially or not at all. All players want total control over their own resources. Financial rules, accounting procedures and reporting formats of potential partners are often incompatible. The end result is that many good faith efforts at collaboration collapse in a tangle of red tape.

## **What Remains to be Done**

This report is limited to the role that financial mechanisms can play in improving operations in the face of persistent complexity. When financial or administrative problems arise, the finger of blame may be pointed at “controlling” member states or overly strict internal auditing. However, it could also be argued that the opportunity for micro-management is provided through the current set-up of the budgeting process itself.

Although much progress has been made in addressing past problems, the current formulae for the financing of peace operations remain inadequate for the complexities that the UN faces. The present process is neither broad enough in scope nor strategic enough in orientation. A more integrated UN system approach to peace operations will require a corresponding financing mechanisms, integrated enough to bridge the gaps between peace-building and peacekeeping, funding for relief and development, multilateral and bilateral resources, and “earmarked” and undesignated program funds.

How can the UN integrate into the budget process measures for system co-operation, local accountability, progress measurement, and donor government fundraising? With the introduction of results based budgeting, the United Nations system has begun to develop a tool similar to private sector approaches, such as the “balanced score-card” approach. Results based management blends consumer satisfaction, growth and learning objectives, financial objectives, and personnel measures into an integrated, strategic management tool. Results based management, however, goes beyond budgeting. To be effective for the UN, it would require the Organisation to combine the current budgeting process and its workload indicators



with goals based on intra-organisational co-operation measures, and join the outcomes of peacekeeping and development work together in a strategic manner. It would allow for achievement oriented monitoring and evaluation. This, in turn, would help to strengthen both co-ordination and administration. It could also prevent micro-management by providing other progress measures that put the budgets in their broader peacekeeping and development context. This would help to provide Member States with meaningful indicators of success upon which they could focus.

Much has been achieved since the United Nations General Assembly introduced procedural reforms to facilitate the financing of peacekeeping and peace-building operations. The recent debates around issues raised by the Panel on United Nations Peace Operations have done much to energize the reform process, and to integrate peace-building and peacekeeping. Yet, the organisational implications of multidimensional peace operations have yet to be fully spelled out and much more remains to be done, both in the area of finance and in related aspects of management:

- Member states should pay their assessed contributions to the Peacekeeping Account on time, and in full, as non-payment jeopardises the Secretariat's ability to conduct effective operations and to meet its obligations. The frequent and lengthy delay of reimbursements to troop-contributing countries most affects those countries that can least afford such deficits, and creates a disincentive to contribute troops.
- The new provisions introduced in the United Nations 2000–2001 budget for special political missions, while welcome in principle, are not sufficient. Adequate allocations should be made to allow the Secretary-General to respond rapidly and effectively when existing complex crises need renewed attention or when new crises threaten to erupt. A stronger internal logistic and strategic support system for political missions needs to be developed as well.
- The Security Council's mandate for peace and security should be reinterpreted to include the humanitarian, economic and social measures that are required to make the political and military elements of peacekeeping successful. The Security Council and General Assembly should require that all expenses of multidimensional peacekeeping operations be met from assessed contributions, rather than from appeals for voluntary supplementary funding. This would take a disproportionate burden away from those few member states that have traditionally bridged the gaps and provide implementing agencies and troop contributing countries with the resources to complete the task assigned by the Council.

- The funds, programs and agencies of the United Nations system, including the World Bank, should streamline and harmonise their financial rules and regulations, particularly with regard to trust funds, cost sharing and audit. This would remove a major obstacle to effective collaboration at the country and regional level in support of peacekeeping and peace-building operations.
- While adequate levels of funding and suitable financing mechanisms are a prerequisite for the effective management of peacekeeping operations, they are not by themselves sufficient. The United Nations system should continue its efforts to address internal and external management problems, especially those affecting decentralisation and local accountability, as well as cross-organisational goal setting, collaboration and evaluation. The United Nations Secretariat should consider applying results-based budgeting to the planning of its peace operations, and follow up with consideration of results-based management as its standard *modus operandi* for all peace operations.

## 2 From Crisis to Reform in the Financing of Peace Operations

### 2.1 The Pathology

In the early 1990s, the international community was groping for answers to address a daunting number of post-Cold War conflicts. A rapid increase in peacekeeping operations stretched the UN system to its breaking point. The diplomats defining these missions, the policy staff at UN Headquarters, and particularly the practitioners in charge of field operations urgently needed to develop the capacity to deal with the complex and multiple challenges of peacekeeping. In most cases, they learned to do so through trial and error.

For example, the SRSG of ONUMUZ in Mozambique, Mr. Aldo Ajello, described in a letter to the Secretary-General, dated 29 March 1993<sup>8</sup>, how the peace process seemed to be faltering. Both parties stalled on the demobilisation of their soldiers after six months of inertia on the part of the international community. Admittedly, there were entrenched interests of the warring factions, compounded by distrust and ethnic strife. However, the UN system was slow to implement, in particular in disbursing funds, deploying battalions to the field, and failing to make a strong impact on the ground, thus enfeebling the peace process further.

The Mozambicans were “expecting a spectacle of drive and efficiency from the United Nations ... Instead, they encountered a straggling group of pilgrims who have been going around for months in dubiously trustworthy rented cars, which are not even marked.” Air transportation was dangerous and the available helicopters looked “more like Second World War leftovers.” The SRSG continued to state that “[e]ven I, after six months in Maputo, have not been able to get a telephone that goes through a secretary, and I have to personally answer all calls. Most employees, including department heads, still do not have a telephone, and they have to queue before the offices of the few lucky ones who do.” The letter stated that the impact of the procurement system “in terms of efficiency, and above all in terms of our public image, is absolutely devastating. [...] An improvement in our image would help us greatly. If we could have adequate means and quicker procedures,

<sup>8</sup> Copy in the authors' private files

our efficiency would improve and people would notice it”. Unfortunately, such improvement was difficult to realise, not just in Mozambique but also in all other missions.

At the same time, staff members at the Secretariat were working extremely hard under complicated circumstances:

“It was absolutely crazy. We were working on UNIFIL, and on UNFICYP in Cyprus... suddenly there was Namibia, and Iraq, and El Salvador, and then ... Cambodia was coming ... Angola was also in the works, and literally this place [Peacekeeping Finance Division] mushroomed overnight ... Every week there were new people coming in ... There were no guidelines, there was nothing back then like a standard cost manual, there was nothing in terms of ratios, there weren't even any real written guidelines on how to do a budget ... In fact, a mission budget format itself wasn't even formalised. Things were done basically however the mission submitted things ... and went to the General Assembly. There was nothing near the level of detail we now have” (interview).

In other words, the Secretariat was not only rapidly growing in staff and trying to bridge the gap between the Security Council and the General Assembly as mandates multiplied, but internally the staff was also trying to develop working procedures and training programs. Moreover, the work was insufficiently computerized, leading to further inefficiencies and duplications.

The Secretariat staff was, in a way, trapped in a maze of financial rules and regulations designed for a static organisation and never intended to allow for operational flexibility. In the budgetary process of the United Nations, every expenditure for which approval is sought has to be defined in the greatest detail; every post, every trip, every piece of furniture has to be accounted for in advance. While this system has merit with regard to the regular budget, where future needs can be forecast well in advance, it wreaked havoc upon the peacekeeping account, where a rapid response capacity is of the essence. Each and every budget had to be prepared in excruciating detail before it could go the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which reports to the Fifth (budgetary) Committee of the General Assembly. After having been analysed by ACABQ, it would go to the Fifth Committee itself, where another round of detailed discussions normally followed. Once the budget reached the General Assembly, many countries not represented on the Security Council would see the budgetary discussion as an opportunity to air their views of the peacekeeping operation in political terms.

A related problem in the early 1990s was that the financial cycles of the peacekeeping operations depended on the mandate period approved separately for each mission by the Security Council. Most mandates were for periods of six months, but occasionally mandates were approved for a few days or weeks only. Mandates

were also unexpectedly extended after staff had already done the preparatory work for liquidation. The financial rules at the time required that a separate budget be prepared for each mission extension. Each budget then had to go through the entire review process described above.

All this resulted in an endless series of budgets for peacekeeping operations that were produced throughout the year. Since accounts officially had to be closed at the end of each budget period and reopened for the next, all these budgets caused an enormous workload. Similarly, there was also a large increase in reports on the financing of each operation.<sup>9</sup> As a result, the staff literally worked day and night. The Fifth Committee, ACABQ, and the General Assembly were flooded with paper. When they were preoccupied with politically more urgent matters, delays accumulated.

Co-operation between the General Assembly and the Security Council also became increasingly difficult. The Security Council has the prerogative to determine the period and level of funding for each mission, but the General Assembly has the authority to approve the actual allocation and release of funds from the peacekeeping account. Countries not represented on the Security Council saw this as their first opportunity to play a role in the decision-making process shaping these missions. By the time of General Assembly approval, sometimes more than half a year later, the missions were starved for cash and their credibility had suffered considerably in the field, as Mr. Ajello's letter illustrates. The missions simply needed better start-up capacity.

In short, despite all the hard work by staff, the UN and the member states lacked the capacity to deliver timely, robust peacekeeping at the field level. Clearly, there were political problems related to the level of resources member states were willing to commit, and to their wish to keep a tight rein on these funds, and thus on the overall process. But these political hurdles were compounded by a logjam of reports and figures, with the result that funds were released late and sometimes even could not be spent and had to be returned. Meanwhile, fragile peace could become unstable as the image and the credibility of the UN deteriorated.

## **2.2 Reaching a Diagnosis: 1992 to 1994**

In 1992, Secretary-General Boutros Boutros-Ghali presented his "Agenda for Peace", a document linking peacekeeping, peace-building, relief and development. Conceptually, this opened up new perspectives on the importance of post-conflict recovery

<sup>9</sup> See A/49/664, paras. 27–28

and development for global peace and security. In management terms, it developed some earlier proposals of Secretary-General Perez de Cuellar regarding financing, such as the establishment “of a temporary Peacekeeping Reserve Fund, at the level of US\$50 million, to meet initial expenses of peacekeeping operations”.<sup>10</sup>

The Agenda for Peace did not provide further suggestions on improving the financial procedures and managerial capacity of peacekeeping. This one recommendation, though, struck a chord with member states, and as a result, in December 1992, the General Assembly decided to “establish a Peacekeeping Reserve Fund as a cash flow mechanism to ensure the rapid response of the Organisation to the needs of peacekeeping operations”.<sup>11</sup> The level of the Fund was set at USD \$150 million, and immediate start-up money would be transferred into the Fund from savings incurred in other missions.

Through resolution 47/217, the General Assembly authorized the Secretary-General to advance from the Fund “such sums as may be necessary to finance: (i) unforeseen and extraordinary expenses relating to peacekeeping operations within the commitment authority established by the General Assembly; (ii) budgetary appropriations, including start-up costs, approved by the General Assembly for new, expanded or renewed peacekeeping operations pending the collection of assessed contributions.” This wording shows how the General Assembly kept a tight rein on the process: this was no green light for the Secretary-General to allot funds before the General Assembly had found time to consider a budget, but only a permit to spend resources before they had been collected. That in itself was a major improvement, as many countries were in arrears with their contributions to the peacekeeping account, but it did not resolve the key problem: the time lag between the Security Council’s mandate and the General Assembly’s release of funds. The flexibility that the Secretary-General had sought was not given.

In fact, there was little sympathy for the travails of the Secretariat, and in December 1992 the General Assembly passed another resolution, where it invited the Secretary-General, “as chief administrative officer, to continue the strengthening and reform of the Secretariat units dealing with peacekeeping operations, so that they can deal effectively and efficiently with the planning, launching, ongoing management and termination of those operations.”<sup>12</sup>

In May 1993, the President of the Security Council presented a note that was based on the Council’s consideration of the “Agenda for Peace”. The note stated that, “in the context of the rapid growth in and new approaches to peacekeeping

<sup>10</sup> A/47/2777-S/24111, para. 70

<sup>11</sup> A/RES/47/217

<sup>12</sup> A/RES/47/218, Section III, para. 6

operations, the Security Council commends the initial measures taken by the Secretary-General to improve the capacity of the United Nations in this field. It believes that bold new steps are required and invites all Member States to make their views known to the Secretary-General and the Secretary-General to submit by September 1993 a further report ... containing specific new proposals further enhancing these capabilities.” This report should include measures designed “to ensure adequate resources for peacekeeping operations and maximum transparency and accountability in the use of resources”.<sup>13</sup> This political gamesmanship further troubled many UN operations staff members, who felt that solutions should come from the member states, not the Secretary-General.

During this same period, the ACABQ reviewed all the reports on the financing of UN missions. By the end of 1992 it proposed changes that would further increase the paperwork: “The reports of the Secretary-General on the financing of peacekeeping operations contain information of financial performance, and budget projections. The Committee appreciates that preparing these reports is a difficult task, all the more so in view of the multiplicity and complexity of peacekeeping operations. However, the Committee believes that the presentation needs to provide more evaluation and analysis in terms of the major items of expenditure”.<sup>14</sup> The Committee reiterated the need for staffing tables<sup>15</sup> and made other recommendations, such as improved presentation of voluntary contributions. Most attention went to staffing issues, e.g., allowances. To add to the pressures on the Secretariat, the Joint Inspection Unit submitted a report to the General Assembly<sup>16</sup> on the staffing of peacekeeping missions which was quite critical. It recommended better planning, co-ordination, delegation, recruitment (including rosters and standby arrangements), training, and adherence to standards of conduct.

Many member states contributed to the ensuing discussions, made elaborate proposals, and responded to the ideas that were going to be part of the report of the Secretary-General on “Improving the Capacity of the United Nations for peacekeeping”.<sup>17</sup> In this climate of critical engagement, as continued problems of delivery continued to haunt the United Nations’ many peacekeeping operations, the General Assembly on 10 December 1993 adopted Resolution 48/42, calling for a

<sup>13</sup> S/25859

<sup>14</sup> A/47/990, para. 3

<sup>15</sup> Already expressed in A/47/763

<sup>16</sup> A/48/421, 19 October 1993

<sup>17</sup> See A/48/403/Add.1 and Add.2, dated November 1993, which contains a dozen detailed letters on the topic, contributed by both developed and developing countries.

“comprehensive review of the whole question of peacekeeping operations in all their aspects”. In this resolution, the General Assembly paid explicit attention to financing. In particular, it invited the Secretary-General to review the “financial and administrative regulations concerning peacekeeping”, and it requested an improvement of “the financial control mechanisms ... by strengthening the system of audit and inspection”.<sup>18</sup>

By 1994, the United Nations was involved in 29 field missions, with a combined annual budget of over US\$3 billion. The awareness was growing that this level of commitment had serious management implications. In March, the Secretary-General submitted a major report on improving the capacity of the UN for peacekeeping to both the Security Council and the General Assembly.<sup>19</sup> In this report, the Secretary-General summarised the main tenets of the “Agenda for Peace”, and took the opportunity to respond to the Member States: “When a United Nations peacekeeping operation is launched it is assumed that the members of the Security Council and other Member States in a position to do so will take the necessary political and diplomatic action to ensure that the decisions of the Council will be carried out. Where this political basis has been intact and strong, peacekeeping operations have achieved significant success. Where it has been weak, there have been severe difficulties. It is a feature of the United Nations that it does not possess independent means for peacekeeping”.

After addressing organisational issues within the Secretariat, such as the division of labour among the various departments, the integration of the Field Administration and Logistics Division into the Department of Peacekeeping Operations (DPKO), and the establishment of a Planning Unit within DPKO, the Secretary-General then turned to the budgetary and financial aspects of the crisis. First and foremost, he chided the Member States for their unwillingness to pay their assessed contributions on time, and he described the negative impact of these arrears on countries’ willingness to contribute troops, knowing they would not be reimbursed for years. As to the budgetary process, “changes of procedures are required to (a) shorten the intervals between the establishment of new missions and the preparation and submission of the cost estimates to the General Assembly; (b) to decrease the frequency of budget submissions and reviews by legislative bodies; and (c) to reduce the frequency of assessments on Member States”.

A major problem, from the Secretariat’s perspective, was the low ceiling of US\$10 million per mission for start-up costs, and the fact that this money could be accessed only if contributions had been received. The Secretary-General therefore asked that

<sup>18</sup> A/RES/48/42, paras. 12–13

<sup>19</sup> A/48/403 – S/26450. See particularly paragraphs 11 and 12. This process led to the unusual situation that the addenda to the report were published before the final report.



the Peacekeeping Reserve Fund be increased from US\$150 million to US\$800 million, the amount of approximately four months of operations at 1994 levels, and that he be given more flexibility in its use. There was also a need for a limited reserve stock of basic equipment and supplies.

There were key concerns, according to the report, in the area of budgeting. First of all, the financial cycles of most missions differed, and they were linked to often very short mandates, leading to a confusing stream of performance reports and cost estimates. The Secretary-General proposed a unified budget cycle of twelve months, and spending authority for each mission would be sought on an annual basis. The actual assessments would be based on approved mandates, and funds would be released only for the actual length of the mandate given by the Security Council. Standardised costing should be introduced, and the procedures for the reimbursement of costs to Governments for contingent-owned equipment should be simplified.

In addition to the Secretary-General's report, in the first half of 1994 the Secretariat presented a series of reports, culminating in document A/48/945, dated 25 May 1994, which laid out detailed reform proposals for planning, budgeting and finance, as well as personnel, equipment, transportation, and, finally, liquidation of peacekeeping missions.

The Secretary-General also addressed a wide range of outstanding issues raised by ACABQ in a progress report on the implementation of these and earlier measures.<sup>20</sup> Of particular interest was the question how humanitarian and development issues should be reflected in peacekeeping budgets. On the one hand, these matters traditionally were considered to lie beyond the scope of peacekeeping operations; at the same time, no operation could succeed in isolation, without concomitant peace-building and recovery efforts. It was proposed to include the costs of a needs assessment for humanitarian aid and post-conflict reconstruction in the budget of the peacekeeping operation, to be financed from assessed contributions. The actual costs of these interventions had to be met from voluntary funding.

In response, the ACABQ reviewed these proposals and noted progress.<sup>21</sup> On budgetary issues, it followed the priorities of the Secretary General: improving budget cycles; enhancing the capitalization of the reserve fund; raising the Secretary-General's start-up financial authority to US\$50 million per mission; streamlining the budget cycle, and improving the presentation of performance reports. On the substantive side, the ACABQ accorded priority to international contractual personnel issues; adequate compensation for death and disability contingents; and proper reimbursements for contingency owned equipment.

<sup>20</sup> A/49/557

<sup>21</sup> A/49/664

This bevy of reports was discussed in great detail during the sessions of the Fifth (Budgetary) Committee of the General Assembly in the fall of 1994, and this in turn prepared the ground for the comprehensive resolution A/RES/49/233/A of 23 December 1994, a landmark that put the administration and budgeting for peacekeeping operations on a more stable footing.

## **2.3 Taking Remedial Action**

With resolution 49/233/A, the General Assembly introduced some major reforms that would greatly improve planning and enhance capacity. The “before and after” effect becomes most visible when one compares the descriptions of the debilitating financing process in some of the early missions among our case studies with the accounts of the relatively smooth functioning of missions initiated after 1994. None of these measures could fully attenuate the core problems: the delinquency of some Member States with regard to their assessed obligations and the negative impact of the ensuing insolvency on the effectiveness and efficiency of the peacekeeping and political missions mandated by the Security Council. In terms of practical steps taken, however, resolution 49/233 – and the procedural changes introduced in its wake – represented a vast improvement.

### **Budget Cycles**

The General Assembly instituted a financial period for each peacekeeping operation from 1 July to 30 June. Relatively stable peacekeeping operations exhibiting relatively little fluctuation in activity, such as UNIFIL, would have one budget a year. The more difficult operations, with many unforeseen characteristics, would be considered and approved on a half-yearly basis for the periods from 1 July to 31 December and from 1 January to 30 June. The budget preparation, however, would always be done on an annual basis, with the understanding that funds would be released only *pro rata*, as and when the General Assembly had given its consent.

For the (annual) performance reports on each mission, which provided both the budget performance assessment over the last period and the budget estimates for the next, the General Assembly asked to improve these so that more recent information, and therewith actual expenditures, could be included. This was difficult to carry out in practice because the reports on budget performance were presented together with the budget estimates. As a result, the performance reports needed to be prepared well before the end of the budget period. These reports thus contained many projections based on planning assumptions rather than empirical data. The

presentation of performance reports was improved by including actual staffing tables; a clear presentation of requests for additional resources; detailed organigrams; and more tables and charts to reduce the volume of the reports.

### **Peacekeeping Reserve Fund**

In view of the continuous cash crisis of the UN system, the General Assembly decided to limit the utilisation of the Peacekeeping Reserve Fund to the start-up phase of new peacekeeping operations, the expansion of existing ones, or unforeseen and extraordinary expenditures related to peacekeeping.

### **Financial Authority**

The General Assembly authorized the Secretary-General, with the prior concurrence of the ACABQ, to enter into commitments using the Peacekeeping Reserve Fund not to exceed US\$ 50 million per decision of the Security Council. In other words, for the start-up of a mission there would be an initial ceiling of US\$ 50 million. In addition, all start-ups together should not exceed US\$ 150 million on a yearly basis. Whenever the General Assembly appropriated outstanding commitments, the reserve of US\$ 150 million automatically would be replenished.

### **Liquidation**

Planning for liquidation had to be improved, because in many cases liquidation of a mission's assets also affected safety and security at the field level and therefore needed to be carried out quickly and efficiently. The troop-contributing member states also had an interest in either the return of their equipment or compensation. Moreover, liquidation causes a considerable workload for finance and administration. Hence, the Secretariat was requested to report on the feasibility of procedures for valuation and transfer of costs of assets to be re-deployed from one peacekeeping operation to another, to other UN organisations, or to the national government, or to be sold to outside parties. Reimbursement to a special account for the liquidation of the operation had to be done as expeditiously as possible.

### **Standardisation of the Budget Process and Format**

The General Assembly approved several proposals of the Secretary-General meant to standardise costing and improve the budgeting process. The Secretariat was asked to put a higher emphasis on analysis. A database containing historical statistics and ratio analysis "should be created to establish the standardised interrelationships

between staffing, vehicles and communications equipment, as well as other equipment ... The ratios will demonstrate whether or not the operational plans developed were within the normal expectations for a mission. The areas outside normal expectations would be highlighted and would have to be explained in more detail".<sup>22</sup>

Along these lines, and similar to the performance reports, the future budgets were to contain several improvements, namely:

- Uniform sets of annexes for ease of reference and comparison;
- One section on comments and responses to the observations and recommendations of the Fifth Committee and the ACABQ;
- A separate implementation plan taking into account mission-specific information;
- Planned expenditure, separated into recurrent and non-recurrent costs on a month-by-month basis;
- Supplementary information, showing the exceptions to standard costs and standard elements in excess of 10 per cent;
- Organigrams to show the mission's command and control structure;
- Tables of statistics and ratios showing the interrelationships between military personnel, civilian staff, vehicles, communication equipment, and other equipment;
- Phased deployment of military and civilian personnel on a month-by-month basis.

In addition, the Secretariat was asked to develop a Standard Cost Manual, so that it would be able to standardise and compare costing. This was to be done before 1 May 1995. The General Assembly requested a mock-up budget of a peacekeeping mission to review, and ultimately improve, the mission budgets.

In resolution A/RES/49/233/B of 28 April 1995, the General Assembly also endorsed the production of two handbooks for further standardisation: the survey mission handbook and the operational support manual.

Resolutions A/RES/49/233 A and B marked the institutionalisation and streamlining of peacekeeping support. From relatively rare events, peacekeeping operations had become continuous and major components of the Secretariat's workload. In essence, the UN Secretariat hoped that it could lessen its burden by institutionalising

<sup>22</sup> A/49/664, para. 42

budget cycles, start-up funding, better analysis and standardisation.<sup>23</sup> These measures would ultimately take effect on 1 July 1996. All in all, they succeeded in bringing down the number of reports and amount of work without relinquishing financial oversight. Most importantly, they strengthened the Secretariat's capacity to support its peacekeeping missions in the field more effectively and speedily.

## 2.4 The Follow-up

From our interviews, it appears that the Secretariat consistently followed through on resolutions A/RES/49/233 A and B. Although only a small database could be constructed, the staff in the Peacekeeping Financing Division developed a standard-cost manual that provided most of the costs and ratios. This, in turn, made it far easier and faster to prepare budgets for new ventures, and to evaluate the relative cost-effectiveness of missions through performance reports. Several other trends that were put into motion by A/RES/49/233 A and B have continued. In particular performance reports have become more analytical. For example, the annual report of the Secretary-General on the support account for peacekeeping operations now contains workload statistics for each organisational unit. Although not all activities can be captured in numerical data, the statistics do provide a useful indication of (ongoing) activities that can be fine-tuned further.

Work also became more analytical, and often easier, for two reasons. The Secretariat in general, and the Peacekeeping Financing Division (PFD) in particular, built up more experience and developed established routines in applying the procedures and manuals. In addition, the United Nations developed a proprietary Integrated Management Information System (IMIS), for use by the Secretariat, UNDP, UNFPA, and UNOPS. This system links financial, human resources and operational databases. It is pro-active in the sense that it prompts administrators to take actions. IMIS is currently being implemented, and it is already beginning to function as a co-ordinating mechanism, since it bridges gaps among various areas of management. In interviews, PFD staff members almost uniformly responded enthusiastically when asked about the introduction of IMIS. It has facilitated their work considerably. Only the field data still need to be incorporated; once this is done on a continuous real-time basis, even on-line reporting will become a possibility.

<sup>23</sup> In addition to these procedural administrative improvements, Resolutions A/RES/49/233 A and B also contained many substantive measures on, for example, contingent-owned equipment, death and disability benefits, host country agreements, international contractual personnel, review by the Office of Internal Oversight Services, rotation of troops, start-up kits, and so on.

Moreover, the review of working methods and procedures became an ongoing process. Field staff were invited to participate in this exercise. Similarly, headquarters staff visited operations in the field, so that they got to know their field counterparts and gained a far better understanding of their problems.

The general managerial improvements that became manifest with the advent of resolution 49/233 were reinforced by a crucial external trend. The decline in the number and size of peacekeeping operations after 1994 greatly facilitated the functioning of the peacekeeping financial processes. Massive military campaigns fell out of favour or were carried out by other international and regional organisations, such as NATO, and there were no more UN operations the size of UNTAC in Cambodia. For the administration of peacekeeping this implied a decrease in workload and a less hectic work pace. This, in turn, led to a far higher level of financial services and more rapid turn-around times for those missions that remained.

In subsequent discussions, the Fifth Committee and the General Assembly focused less on financial matters, and paid more attention to substantive issues, such as the use of contingency owned equipment, the levels of death and disability benefits, the build-up of supplies in the UN's logistics base at Brindisi, and the merits of "gratis personnel" (staff made available by Member States free of charge). Some of these substantive issues, such as the fate of contingency owned equipment, are politically sensitive. This influences their mode of administration and the concomitant delegation of authority. Such political considerations go against the trend to decentralise and to place more authority at the field level. The United Nations Controller, who establishes levels of delegation for different financial transactions, tends to keep a close tab on sensitive issues, allowing for a higher degree of central control in order to ensure to member states that expenditures are spent only in a certain area. In less sensitive areas, however, there has been a major devolution of responsibilities from Headquarters to the Chief Administrative Officer in the field, and that again has much improved the missions' financial agility and responsiveness.

Most, if not all, of the problems with the budgetary process that were identified by the former SRSGs at the forum convened by Fafo, and that led to recommendation *xxvi* in Fafo's report "Command from the Saddle", have been addressed successfully in recent years, and the worst inefficiencies and anomalies affecting the budgeting and planning for peacekeeping operations have been remedied. The case studies annexed to this report illustrate the progress made in specific missions. However, many Member States remain in arrears with their payments to the Peacekeeping Account. Therefore, concerns about cash-flow and liquidity remain. In addition, political decisions often still limit a planned mission's resources to levels lower than the staff on the ground consider optimal. Yet, overall, the crippling

anomalies that characterized the financial operations of peacekeeping missions led by SRSGs at the beginning of the 1990s have been overcome.

## 2.5 A Case Apart: Funding Political Missions

The distinction between political and peacekeeping missions evolved incrementally. Many missions actually combine aspects of both. The table explains the main differences:

Type of mission	Authorizing entity	Funding modality	Department responsible	Role of military
Peacekeeping	Security Council	Assessed peacekeeping budget (with voluntary contributions)	DPKO	Military involvement crucial
Political	General Assembly or Security Council	Assessed regular budget (with voluntary contributions)	DPA	No military involvement

As the description of the financing process for ONUSAL in the case studies below illustrates, the budgetary process for political missions in most aspects mimics that of the peacekeeping operations. There are some key organisational distinctions, however, which directly impact on the Secretary-General's capacity to manage the political missions effectively.

For every political mission approved by the General Assembly or the Security Council, the General Assembly has to establish a Special Account, and the Member States are assessed under the provisions of Article 17, paragraph 2, of the United Nations Charter, which specifies that "expenses of the Organisation" shall be borne by the Member States as apportioned by the General Assembly. The scale of assessment used for political missions is the one used for the regular budget, but until the beginning of the budgetary year 2000, there was no "reserve fund" for political missions to provide start-up costs.

The equivalent of the extensive Headquarters support structure for peacekeeping operations is also lacking. The Field Administration and Logistics Division, which until 1994 resided within the Department of Administration and Management, was moved to DPKO. There is no structure parallel to DPKO's Peacekeeping Financing Division in the Department of Political Affairs (DPA). Hence the political missions until recently still suffered from the same administrative handicaps that were so successfully eradicated for the peacekeeping operations: lack of start-up funding, a diffused budgetary process, and second tier attention with regard to

logistics and staffing. No financial commitments could be made until the Controller had given an “allotment”. No “allotment” could be made until ACABQ, the Fifth Committee and the General Assembly had approved the budget. Even now, the General Assembly will not even adopt a resolution to establish a political mission until it has approved its budgetary implications.

The 53<sup>rd</sup> General Assembly (1998–99) discussed the overall budget outline for the biennium 2000–2001, and considered a proposal by ACABQ that a provision for special political missions be included in the outline. The requirements were estimated at US\$112.6 million. The Fifth Committee later reduced this amount to US\$86.2 million for the biennium, but the principle that such a provision should be part and parcel of the regular budget was accepted.<sup>24</sup> DPA can access this money with ACABQ approval, without involvement of the General Assembly or the Security Council. A comparable sum was included in the budget for the biennium 2002/2003. This decision has in principle greatly strengthened the Secretary-General’s capacity to mobilize political missions on short notice, and it has belatedly created formal parity in the manner peacekeeping and political missions are treated with respect to start-up funding. At the same time, the actual amount budgeted is relatively small, and it does not give the Secretary-General much leeway. Much of the 2000/2001 allocation went to Africa, and part of it was used to fund various field missions for Security Council members.

Thus, DPA continues to face severe management constraints. Its staffing is minimal: the Guatemala peace operation, for example, with some 500 staff members on the ground, has never had a full-time desk officer in the Secretariat. Most work related to conflict prevention is financed from an eponymous Trust Fund, which means that political guidance comes from those countries that fund the TF, and not necessarily from the Security Council or the General Assembly. The Secretariat’s political work on the situation in Colombia, to illustrate this, is fully funded from the Conflict Prevention Trust Fund. Often, political missions (such as Haiti) are jointly funded with other sponsors. When they withdraw, as the OAS did in the case of Haiti, an entire programme becomes endangered. These types of problems tend to make DPA quite vulnerable, and they have not been addressed thus far.

More sustainable solutions are required. In his report to the Secretary-General titled “Enhancing the United Nations’ Effectiveness in Peace and Security” (June 1997), the then departing Under-Secretary for Peacekeeping Operations, Marrack Goulding, recommended the establishment of a set of common services (including information gathering, policy analysis, field administration and a lessons learned unit) for the four “Complex Emergencies Departments”, i.e., OCHA, DPKO, DPA, and the Centre for Human Rights. This recommendation, if implemented, would

<sup>24</sup> A/RES/53/206



have done much to bring the level of administrative and management support for political missions up to the same plateau as that for the peacekeeping operations. It would have rationalized and empowered many other aspects of the Organisation's work in the field of peace and security as well. However, the Secretariat has not reached consensus on its implementation. The Panel on United Nations Peace Operations in fact suggested the opposite solution: to transfer all field support for political, non-military missions to the United Nations Office for Project Services (UNOPS).<sup>25</sup> There may be other options; however the debate remains unresolved.

<sup>25</sup> A/55/305, para. 243 (c)

### **3 Linking Peacekeeping to Peace-building: A new focus for reform**

In the Spring of 2001, the Secretary-General presented a paper to the Security Council entitled *No Exit Without Strategy*, in which he explored the Security Council's options in reaching decisions that might lead to the closure or transition of United Nations peacekeeping operations.<sup>26</sup> In it, the Secretary-General describes the particular difficulty of extricating the Organisation from domestic conflict. In so doing, he reinforced the message that a common UN approach to peace-building is necessary for operational effectiveness:

“In many cases, an effective strategy for realising that objective is to help warring parties to move their political or economic struggles from the battlefield and into an institutional framework where a peaceful settlement process can be engaged and future disputes can be addressed in a similar fashion.[...] Sustainable development is indispensable to such a peace. [...] Given the potentially large challenges and costs such comprehensive peace-building often encompasses, it is essential to ensure that all key parts of the United Nations system are fully engaged in a collaborative and constructive fashion. I wish to highlight this point because no single department or agency can be expected to devise and implement, on its own, all the elements of a comprehensive peace strategy. As a number of Security Council members said last November, a successful peacekeeping exit depends on a collaborative and inclusive United Nations system and the effectiveness of other international actors, including the international financial institutions and non-governmental organisations that are not part of the operation.”

In other words, as the lead institution in many operational settings, the UN's effectiveness will depend upon the extent to which it can deploy UN operations and agencies in collaboration with each other, in co-operation with the parties to the conflict and the local population, and in co-ordination with other international organisations, donor countries and agencies, and NGOs.

<sup>26</sup> S/2001/394 of 20 April 2001

The inability of the UN to act as the sum of its parts, rather than as separate parts, is due to some extent to problems posed by the financing of peace-building, both within and outside the Organisation. There are significant aspects of peace-building implementation over which the UN has no control: Donors' aid budgets are usually divided between relief and development, with no dedicated funds for the grey areas in between, such as peace-building. Many pledges of aid are never implemented (or implemented only partially). Every peace operation has to be cobbled together financially from far too many sources (each with its own level of reliability and predictability). All players want total control over the implementation of their own contribution. Financial rules, accounting procedures and reporting formats of potential partners are often incompatible. All this adds up, and the end result is that many good faith efforts at collaboration collapse in a tangle of red tape.

The obstacles to an integrated UN approach are not solely due to inter-organisational or inter-departmental tensions. Often, politics and member state policies can also get in the way. In practice, peacekeeping and peace-building activities can undermine each other: the accounts of the peace operations in Mozambique and Cambodia at annex illustrate how the donor community and the United Nations development agencies often worked at cross purposes with the peacekeepers. At the same time, the case studies at annex, describing the most recent missions, give some positive examples of possible programme integration.

### **3.1 The Brahimi Report**

In March 2000, the Secretary-General convened a high-level Panel on Peace Operations, with the request that it undertake a thorough review of United Nations peace and security activities, and present a clear set of specific, concrete and practical recommendations. The Panel was chaired by – and consequently its report named after – the former Foreign Minister of Algeria and respected UN Under-Secretary-General, Mr. Lakhdar Brahimi. The Panel submitted its findings and recommendations in August 2000. In doing so, it raised a plethora of issues, ranging from broad policy concerns to the minutiae of logistics and procurement.<sup>27</sup>

Throughout its report, the Panel emphasised that peacekeeping and peace-building are in fact two sides of the same coin, and that the United Nations should integrate these two functions within its own organisational structure and working methods to the extent possible. This approach also shaped the Panel's recommendations with regard to the financing of peace operations. It noted that support to peace

<sup>27</sup> A/55/305-S/2000/809

processes should begin with conflict prevention. It described “the gap between verbal postures and financial and political support” as the key impediment to successful action at a stage where conflict could still be avoided or channelled into political processes.<sup>28</sup>

In its report, the Panel pleads strongly for a multidisciplinary peace-building strategy, including active engagement with the local parties; a broad process of democratization, rather than elections held in a vacuum; a civilian police presence that trains and builds institutions for the administration of justice as well as the maintenance of law and order; an effective human rights component; the reintegration of former combatants into the local economy; and new efforts to co-ordinate the many different activities of the donor community and the international organisations.

The Brahimi Report pays considerable attention to the issue of expenditure management. It notes with some satisfaction that the Peacekeeping Reserve Fund, which amounts to US\$150 million when fully capitalized, now provides a standing pool of money from which to draw quickly. It also stresses that the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which reports to the Fifth Committee, may approve allotments of up to US\$50 million from the Fund to facilitate the start-up of a new mission or the unforeseen expansion of an existing one.

The report further recalls that the General Assembly has, in exceptional cases, allowed the Secretary-General to commit up to US\$200 million to start up large missions, such as Cambodia (see also annex ), well before a detailed budget has been submitted. But the Panel points out that these flexible arrangements have their limits: until the Security Council has authorized the establishment of a mission or its advance elements, no funds can be released. Yet it is often in the period leading up to a Security Council resolution that most of the logistic preparations have to be concluded, and that commitments have to be made to ensure timely arrival of equipment and staff. Thus the Panel recommended that “the Secretary-General should be given authority to draw up to US\$50 million from the Peacekeeping Reserve Fund once it became clear that an operation was likely to be established, with the approval of ACABQ, but prior to the adoption of a Security Council resolution”.<sup>29</sup>

However, the Panel did not address the broader implications of this recommendation as it affects the United Nations’ organisational structure. The peace-building and political monitoring process leading up to a peacekeeping mission has always

<sup>28</sup> *Ibidem*, para. 33

<sup>29</sup> *Ibidem*, para. 169 (c); The Panel also recommended measures meant to support the delegation of authority to mission staff: “The Secretariat should conduct a review of the policies and procedures governing the management of financial resources in the field missions with a view to providing field missions with much greater flexibility in the management of their budgets” *Ibidem*, para. 169 (e)

been the domain of the Department of Political Affairs, which recently obtained its own US\$86 million contingency budget. Should it also have access to the Peacekeeping Reserve Fund? And when should the responsibility for a mission shift to the Department of Peacekeeping Operations? Is the inclusion of a military component truly the most decisive element affecting the location of the Secretariat's responsibility?

The UN's increasingly integrated vision of peacekeeping and peace-building, as described by the Brahimi Report, implies a broadening of the traditional financial model for peacekeeping operations and political missions to include a wider array of related peace-building activities. If indeed peace-building and peacekeeping are integral aspects of the same or related processes, the logic of organisational effectiveness would indicate that this should be reflected in the United Nations' organisational structure and ultimately in its financing mechanisms. In other words, if the resources for peace-building activities are crucial for the effectiveness of multidisciplinary peacekeeping operations, shouldn't they be made available within the budgets financed from assessed contributions?

The Panel stopped short of any such general recommendation. However, the Panel attempted to provide missions with the means to jump-start a more integrated approach in the field by recommending that "a small percentage of a mission's first-year budget should be made available to the representative or special representative of the Secretary-General leading the mission to fund quick impact projects in its area of operations, with the advice of the United Nations country team's resident coordinator".<sup>30</sup> The inclusion of some US\$700,000 for quick impact projects in Sierra Leone (see annex) indicates that Member States have been in some cases responsive to the reality that multidimensional peace operations will require the development of integrated administrative mechanisms.

### **3.2 Implementing Reforms: implications for the financing of peace operations**

On 20 October 2000, the Secretary-General released his report on the implementation of the Panel's recommendations,<sup>31</sup> in which he focused mostly on the practical implications of the Panel's work. In his report, the Secretary-General supports the introduction of quick impact projects, and he promises to include this approach

<sup>30</sup> Ibidem, para. 47 (a)

<sup>31</sup> Report of the Secretary-General on the implementation of the report of the Panel on United Nations peace operations, A/55/502 – S/2000/1081

“when presenting concepts of operations and budgets for future peace operations.”<sup>32</sup> However, the Panel’s proposal to release money from the Peacekeeping Reserve Fund, once it is likely that a mission is going to be established, is considered mainly in the light of the Secretary-General’s concern about deployment timelines and logistic support systems, and the proposals’ broader implications relating to the need to integrate peace-building and peacekeeping are not addressed. Similarly, the Panel’s recommendation that increased financial authority be delegated to the missions is met with a promise of further study.<sup>33</sup>

In the meantime, the Secretary-General’s implementation report initiated a range of measures, including the drafting of a total of 18 different reports, reform proposals and guidelines. As with the Brahimi report itself, most of these measures relate to practical aspects of DPKO operational readiness, although an Action Plan on UN Peace-building, and a report on UN capacities for conflict prevention (both due in 2001) hold the potential for significant clarification of doctrine and operational roles for the different organs of the Secretariat as well as the agencies.

Building on some of this work, the Secretary-General’s second major report on the implementation of the Panel’s recommendations, dated 28 May 2001, expands on his proposals to strengthen DPKO’s capacity.<sup>34</sup> He outlines some options related to an increased strategic reserve of equipment and materiel, stronger stand-by arrangements, reinforced staffing of DPKO, and enhanced policies and procedures to ensure adequate civilian staffing of missions.

The report acknowledges the need to build stronger relationships between DPKO and other parts of the Secretariat, and two of the twelve pages under this heading directly address the role of DPA.<sup>35</sup> In short, while DPA will maintain a “global watch”, DPKO will focus only on implementation of the current peacekeeping operations. Information is exchanged as needed, and co-ordination should be provided by the Executive Committee on Peace and Security. Co-ordination should be strengthened by co-locating the political affairs officers in both departments, “because in the absence of an institutionalized framework, the regular exchange of ideas

<sup>32</sup> Ibidem, para. 25

<sup>33</sup> Ibidem, paras. 112 and 113

<sup>34</sup> Implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations, 28 May 2001, document A/55/... (final draft), which contains the results of the comprehensive management review called for in the Secretary-General’s first implementation report.

<sup>35</sup> A previous detailed outline of the division of responsibilities of DPKO and DPA can be found in document A/53/854/Add.1, dated 4 March 1999

and views becomes dependent upon the interpersonal relations and mutual respect of the individual officers concerned.”<sup>36</sup>

The Secretary-General’s report also states that the extent “of co-operation, co-ordination and integration between United Nations humanitarian and peace and security actors in the field must depend on the local context.”<sup>37</sup> This is, in part, a clarification of a Note adopted on 10 December 2000, in which the Secretary-General had provided “guidance on relations between Representatives of the Secretary-General, Resident Co-ordinators and Humanitarian Co-ordinators”. The Note, prepared jointly by DPA, DPKO, UNDP, OCHA and UNDG, describes operational co-ordination at the senior management level, both in the field and through inter-agency teams at headquarters. It remains to be seen how the Note will be implemented, but its adoption has contributed to clarifying the roles of SRSGs, Resident and Humanitarian Co-ordinators within the mandates for peace operations provided by the Security Council.

However helpful these steps toward clarification, the organisational implications of multidimensional peace operations have yet to be fully spelled out. For example; the Brahimi Report, by integrating the Resident Co-ordinator with its recommendation concerning the use of peacekeeping finances for quick-start projects (see above), in effect linked strategic planning for peace operations with the need for a common system approach to development assistance.<sup>38</sup> The implementation reports that have followed on the heels of the Brahimi report, have not yet elaborated on the organisational implications of this recommendation and, in general, the lack of operational integration between peacekeeping and peace-building remains. This is made even more acute by the lack of adequate financing mechanisms to bridge the gap between a peacekeeping operation financed by assessed contributions and substantial peace-building activities that are not, something this study speaks to in some detail in the next Chapter.

<sup>36</sup> Implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations, 28 May 2001, document A/55/... , para. 235, (quoted from final draft)

<sup>37</sup> *Ibidem*, para. 272

<sup>38</sup> A system wide approach was advocated in General Assembly resolution 49/277 (1994). The resident co-ordinator system was one of the outcomes of that resolution.

### 3.3 Beyond Brahimi: refashioning the dialogue about reform

While the Brahimi Report and subsequent implementation documents examined solutions within the United Nations' institutional framework, and stressed logistical and organisational improvements, the political discussions that ensued took on a much larger scope. Questions were raised about the political will of the North to invest in peace, both financially and in light of a clear hesitancy to commit troops to certain types of operations. Critics described the Panel's report as "technical solutions to political problems".<sup>39</sup>

In order to carry the discussion beyond the confines of the United Nations Headquarters, the Government of the United Kingdom asked the Center on International Co-operation (CIC) and the International Peace Academy (IPA) to convene a series of meetings in order to gather regional perspectives.<sup>40</sup> The criticisms voiced by many project participants from developing countries expressed "both the depth of the crisis of confidence in the capability and willingness of the United Nations to conduct peace operations – especially evident in the African regional meeting – and the hopes that many people continue to place in the world's only truly global organisation".<sup>41</sup> There was a clear sense that the United Nations "needs to work more effectively in partnership with others — regional and sub-regional organisations, the international financial institutions, NGOs, local actors – in order to ensure its own success."<sup>42</sup>

In a separate study, based in part on draft papers it prepared for the multi-donor Brookings Roundtable on the Relief to Development Gap, New York University's Center on International Cooperation stressed the need for agreed, broad frameworks for international assistance. The study, *Recovering From Conflict*,<sup>43</sup> outlines the following objectives: integrated resource mobilization and disbursements;

<sup>39</sup> Refashioning the Dialogue: Regional Perspectives on the Brahimi Report on UN Peace Operations, International Peace Academy and Center on International Co-operation, New York, 2001, page 4

<sup>40</sup> These meetings were held in February and March 2001, in co-operation with the University of Witwatersrand in South Africa, the Singapore Institute for International Affairs, the University of Belgrano in Argentina, a network of Caribbean Basin academic institutes, and the Centre for Defence Studies, Kings College, London, with the International Institute of Strategic Studies.

<sup>41</sup> Ibidem, p. 3

<sup>42</sup> Ibidem, p. 4

<sup>43</sup> Forman, S., Patrick, S., and Salomons, D., *Recovering From Conflict: Strategy For An International Response* (2000), Center on International Co-operation, New York University



institutional reform built on comparative advantages; the harmonisation and humanizing of aid conditionality; improved field co-ordination based on local capacity; local ownership; and standardised tracking and evaluation of aid. To achieve this, in the view of the authors, a holistic approach is needed that places all partners on an equal footing, be they international organisations, regional entities, interested national governments, non-governmental organisations or private sector institutions.

One suggestion has been to establish a full-fledged Strategic Recovery Facility, with its own dedicated funds for analytical tasks, as well as a standing trust fund or pre-negotiated standby funding arrangements to jump-start recovery activities. The creation of such an entity would do much to simplify the tasks of an SRSG, as it would provide a focus to the peace-building process in countries devastated by conflict, replacing the often chaotic field of competing and overlapping aid providers.

Another, perhaps complimentary, option would be to enhance the financial management of UN peace operations in a manner that addresses at least some of the same objectives. A results-based approach to budgeting – and by extension to management – is one potential contribution to a solution that has not been raised in the implementation reports of the Secretary-General. First proposed to the General Assembly in 1997 by the Secretary-General as part of his reform package, and elaborated further in document A/53/500 (1999), this approach was initially applied by United Nations system agencies for project design under the name “logical framework”.

The results-based approach stresses the definition of expected accomplishments and indicators of achievements, linked directly to the objectives of specific programmes. The “balanced scorecard” approach advocated by the Harvard Business School is very similar. Both “results-based management” and the “balanced scorecard” allow for complexity by requiring an analysis of the stakeholders’ expectations, and of the partnerships required to achieve results (which in this case would have brought out the role of the wider UN family, the local parties and population, other international organisations, the donors and the NGOs), and includes a risk assessment methodology linked to programme objectives (which might have shed more light on the likelihood of better funding and improved access to goods, services and staff). It emphasises the definition of expected outcomes, rather than the elaboration of required inputs, an approach that helps level the playing field for Member States, donors and recipients. Results-based management is now used in several United Nations funds and programmes, such as UNICEF, UNDP and UNFPA, from which lessons about appropriate implementation could be drawn.

The Panel on UN Peace Operations interpreted peace operations as being part of a process that connects conflict prevention, peace-building, peace keeping, post-conflict recovery and sustainable development. This interpretation is compatible with the Secretary-General’s discussion of “exit strategies” and the need for a common

UN system approach. However, the political discussions that followed the Brahimi report indicate that UN peace operations will require broader partnerships to ensure legitimacy and to lower the political hurdles to implementation. The current formulae for the financing of peace operations, while vastly improved in recent years, are already inadequate to the multidisciplinary missions of today. The challenge of developing a more holistic, broad-based approach will require correspondingly integrated financing mechanisms, bridging the gaps between peace-building and peace-keeping, between funding for relief and for development, between multi-lateral and bilateral resources, and between “earmarked” and undesignated program funds.



## **4 The Kindness of Strangers: Voluntary funding in support of mandatory programmes**

While assessed contributions from either peacekeeping accounts or the regular budget will normally cover the core costs of the typical missions headed by SRSGs, they by no means provide all the tools and resources required to complete the mission successfully. Both the Security Council and the General Assembly are aware of this, and frequently one finds, within resolutions authorizing specific ventures, appeals for external funding of activities that are essential under the mission's mandate, but that fall outside its budgetary scope. In recent years, the Security Council has become somewhat more flexible, and allowed for the introduction of some non-traditional features such as a mission "child protection officer" or "quick impact projects" under its assessed budgets (see annex), but the overall distinction between peacekeeping and peace-building remains as firm as ever. Thus, voluntary contributions, or their absence, often decide the success or failure of SRSG-led missions.

Each of the case studies in this report illustrates this symbiotic relationship between voluntary and assessed contributions. In 1992, for example, the Government of Japan and UNDP hosted a Ministerial Conference that generated some US\$880 million in pledges for Cambodia's rehabilitation and reconstruction. These funds were essential for the success of the peacekeeping mission. In that same year, at a donor conference in Paris that was timed to coincide with the Security Council's consideration of the blueprint for ONUMOZ, the international community pledged over US\$400 million to pay for those components of the peace process, such as the conduct of elections and the provision of emergency food aid, that were not covered in the ONUMOZ budget, but that were presented as key components of ONUMOZ's strategy. In the West Bank and Gaza, the Holst Peace Fund, a trust fund administered by the World Bank, was a key strategic instrument for donor country support to the Palestinian Authority (PA). As such it was often a focus of the SRSG's diplomatic activities in support of the peace process and made possible the financing of initiatives mobilized by the SRSG.

Each of these case studies also demonstrates that it requires an activist SRSG to raise the necessary funds over and beyond those committed from assessed contributions. While there are established mechanisms to mobilize such funds, they need

to be animated by the driving forces of conviction and vision; often the SRSG is in a better position to provide the needed advocacy than are the faceless institutions that formally support the mission.

In this chapter, we will examine some of the key processes and financial instruments that are at the disposal of the SRSG to obtain voluntary funding, and we will describe some of the major institutional arrangements under which these funds can be accessed.<sup>44</sup>

## **4.1 Mobilizing Resources: From conferences to direct marketing**

Funds to pay for humanitarian and development activities linked to political missions or peacekeeping operations have typically been raised through multilateral pledging conferences, including Consolidated Appeals (CAPs) initiated by the United Nations system, Round Tables (RTs) organized by “friends” of the affected area, and Consultative Groups (CGs), mobilized by the World Bank. Unfortunately, donor Roundtables often occur too late to address priority needs, while Consultative Group meetings require the presence of a legitimate recipient government — a condition not always met in an environment plagued by conflict. While pledging conferences may usefully serve to bring donors on board and offer incentives to combatants, they also contain elements of “political theatre.” Donors often exaggerate the generosity of their aid packages, sometimes “double-counting” amounts previously promised or already delivered to an implementing agency that also will subsequently report them. Alternatively, donors may pledge large amounts that they cannot deliver quickly, or ever. Internal procedures and/or lack of implementation capacity on the ground in the tumultuous climate created by conflict also limit disbursements.

When making aid pledges, moreover, many donors tend to “pick and choose” among expenditure categories, geographic regions and aid sectors, leaving some essential areas chronically under-funded. Many efforts have been marred by excessive focus on target groups, creating “islands of assistance” and excluding other vulnerable populations. In general, donors’ preference for bilateral (and “tied”) aid

<sup>44</sup> Much of the information on financial mechanisms in this chapter is based on material developed for the Center on International Cooperation’s publication “Recovering from Conflict: Strategy for an International Response”, a Policy Paper in its series “Paying For Essentials” (New York, 2000).

produces a fragmented assistance regime that places heavy administrative burdens on the entities that administer this largesse.<sup>45</sup>

It is often the task of the SRSG, therefore, to conduct a meaningful needs assessment in the area, involving the broadest possible coalition of partners, and to identify immediate as well as longer-term requirements. If this is done in time, it may positively shape the global resource mobilization process described above. Often, though, important aspects of the needs assessment do not receive adequate attention in such a broad-based approach. It then becomes an art to match specific mission priorities with the funding preferences of specific donors, and tailor individual fund-raising approaches to the different “markets”.

SRSGs should bear in mind that donors often have an extensive set of “windows” through which they provide aid. Some of these are thematic, some geographic, some exist within the domain of the Foreign Ministry and its aid apparatus, some can be found in specialized ministries (such as agriculture), more is at the disposal of NGOs with block grants from the Government, and often the donors’ ambassadors in the area of the mission have their own discretionary funds, which can be quite substantive. A sound fund-raising strategy takes all these factors into account, and the examples given in the case studies show how some SRSGs have been quite astute in tapping a remarkable array of sources.

## **4.2 Key Financial Extra-budgetary Instruments For Collaboration**

If an SRSG wants to make effective use of extra-budgetary resources, this will normally require partnerships with a range of UN system and non-UN actors. The United Nations system has several existing tools for collaborative financing, including trust funds, cost-sharing projects, and parallel financing. Each of these instruments can be used at the global, regional and country level, and may involve other multi-lateral organisations, governments, financial institutions, NGOs, or private sector institutions. In principle, each of these financial tools, if properly applied, is at the disposal of the SRSG, and can contribute to the effective execution of joint operations.

<sup>45</sup> Forman, Shepard, and Patrick, Stewart, *Good Intentions, Pledges of Aid for Postconflict Recovery*, Lynne Rienner, Boulder, 2000

## **Trust Funds**

Under trust fund arrangements, donors place their contribution in trust with a fiduciary institution in support of a specific purpose, theme, region, country or project. The fiduciary administers the funds on behalf of the donor, but does not need to contribute its own resources. “Closed trust funds” are established exclusively by one donor, “open trust funds” allow others to join in. Each trust fund is administered and accounted for separately, using the financial rules and regulations of the fiduciary. Often, these trust funds are burdened with complex, cumbersome and time-consuming approval and reporting procedures, reflecting the requirements of both the donor(s) and the fiduciary organisation.

On the positive side, unlike project-based financing mechanisms, trust funds lend themselves to flexible arrangements, whereby funds can be received before specific work plans have been developed, replenishments can be made periodically, and there is no obligation to close the fund at any given time. Most fiduciaries have minimum limits for the establishment of trust funds ( US\$1 million in the UN organisations), while overheads and administrative costs can sometimes be high. Within a trust fund, sub-trust funds can be set up to earmark contributions that are consistent with the fund’s primary purpose (e.g. for specific countries within a global fund).

Especially in the case of countries in crisis, trust funds designated for humanitarian or development programs, in conjunction with peacekeeping or political interventions, can take on the role of a co-ordination mechanism, as joint funding stimulates joint planning, implementation and evaluation. Such funds are particularly suitable for large-scale collaborative programs with global and country components, especially when one of the institutional partners is designated as the “custodial and fiduciary agent”, bearing the administrative responsibility for the entire team. One creative example cited earlier, worthy of emulation, is the Holst Peace Fund, which was created to finance the start-up costs of the Palestinian Authority and small-scale projects in the West Bank and Gaza.

## **Cost Sharing**

Cost sharing is the modality whereby bilateral donor governments, multilateral organisations, international financial institutions, NGOs or private sector entities contribute financial resources to an agency administering a project or program that involves funds of its own. Usually, cost sharing is the instrument of choice to implement a specific project with multiple funding, although occasionally entire programs are financed in this manner, often involving the recipient government as a financial partner. A cost sharing project or program usually is finite, with a termination date set in the context of a work plan.

Cost sharing allows donors to earmark funds for a specific purpose that reflects priorities and development objectives, while the execution is in the hands of a multilateral organisation, implying neutrality and impartiality. The approval process for cost sharing projects as well as the reporting procedures are relatively simple, and can be handled at the country level. A consortium of agencies, for example, used the cost sharing modality effectively in the PRODERE (Central American) refugee settlement programs, in which UNOPS was designated to support the substantive agencies in the administrative tasks of recruitment and procurement, site management and bookkeeping.

### **Parallel Financing**

Parallel financing is the modality whereby one or more multilateral organisations, in partnership with other donors (often under bilateral programs), jointly fund a program or project, but administer their resources separately. Donor contributions are managed by the respective donors, and do not enter into a common account. Parallel financing offers the possibility of joint programming, while allowing for distinct resource mobilization patterns and reporting responsibilities. By opting for parallel financing, donors are able to maintain their programmatic identity and visibility, while benefiting from their partners' particular competencies. A weak performance by one donor, however, may impact negatively on the entire project.

In principle, this array of financial mechanisms and instruments should provide the SRSG with a wide range of options for the implementation of collaborative programs or projects in support of peacekeeping and political missions. In practice, however, each agency interprets its financial instruments differently and subjects them to different regulations and procedures. Currently, the financial rules of the World Bank and its affiliate organisations differ substantively from those of the United Nations. Moreover, each of the United Nations' funds and programs (e.g., UNDP, UNHCR and UNICEF) has its own financial rules and regulations, including different provisions for the receipt of funds from the private sector. This lack of compatibility may present serious obstacles, particularly when reporting and accountability have to meet the different standards of a variety of partners.

These rules are derived from "command and control" management systems that can be procedurally exasperating (e.g., all posts at the D-1 level and above under UN Trust Funds have to be approved by ACABQ), and that are not systems oriented toward delivery or implementation. It is therefore essential that SRSGs familiarize themselves with the "fine print" of such collaborative arrangements before entering into commitments.



## 4.3 The Mechanics of Trust Fund Administration

Financial Rule 107.5 of the United Nations states: “In cases other than those approved by the General Assembly, the establishment of any trust fund or the receipt of any voluntary contribution, gift or donation to be administered by the United Nations required the approval of the Secretary-General, who may delegate this authority to the USG/AM.” In practice, it is the Controller of the United Nations who provides the oversight.

The policies for establishing and managing trust funds under the aegis of the Secretary-General are set out in document ST/SGB/188, with further procedural guidance given in document ST/AI/284 on General Trust Funds, and ST/AI/285 on Technical Co-operation Trust Funds. These three directives all date from 1982, and have not been revised since. They define the types of trust funds, allocate functional responsibilities, provide definitions, contain model agreements, and spell out the details of the steps to be followed. Both general and technical co-operation trust funds can be useful tools to support peacekeeping and political missions. SRSGs should be aware of the broad approach to be followed (and should have a competent and well-connected Chief Administrative Officer).

When the SRSG responsible for a mission has identified the need for a trust fund and has found suitable donors (usually in the context of a pledging conference), the terms of reference (TORs) can be formulated by the parties concerned, and the Chief Administrative Officer of the mission, in his capacity of certifying officer, can submit the TORs to DPKO or DPA for review. The Department responsible, in turn, will issue a formal request to the Controller for the establishment of the Trust Fund. Once this is done, donors can deposit funds in the special account set up for the Trust Fund, and when the funds are received, the mission can ask the Department for an allotment (spending authority).

The Peacekeeping Finance Division in the Office for Programme Planning, Budget and Accounts (OPPBA), for example, can set up a trust fund in one or two days, once the terms of reference have been approved by the donor government. Establishing the terms of reference, however, is often a bottleneck, as negotiations between the mission, the donor and the UN Secretariat can become quite complex. Once a donor’s contribution has been received (and here again, delays often occur due to budgetary hurdles on the donor’s part), allotments can be given, and disbursements made, in a matter of days. The United Nations charges an overhead on the basis of expenditures of 13 percent, a level established by the General Assembly.

The UN Controller heading OPPBA generally maintains tight control over Trust Funds, ensuring rigid adherence to the TORs. This makes for strong accountability to the donor governments. The key to a flexible Trust Fund therefore rests with the donor government. In principle, nothing prevents the government from setting

broad, flexible TORs, giving the SRSG considerable discretionary powers over the actual use of the funds provided.

An overview of the activities related to peacekeeping operations funded by United Nations trust funds as of 30 June 1998 can be found at Annex II in document A/53/5.<sup>46</sup> It lists some thirty funds, ranging from large and broad-based ones such as the US\$41 million Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities to small and narrow activities like the US\$16,000 Trust Fund for the Implementation of the Cotonou Agreement in Liberia. Here, too, one can find the trust funds described in our case studies (if not already liquidated). It also lists interesting and lesser known entities such as the Trust Fund for Support from Governments and Organisations to the Department of Peacekeeping Operations' Lessons Learned Mechanism (which spent US\$407,000 between July 1997 and June 1998, and was down to US\$89,000 at the time of reporting).

As an alternative to selecting the United Nations as a fiduciary, donors can turn to any of the United Nations' major funds and programs, such as UNICEF, UNHCR, UNRWA, UNDP, UNFPA, UNEP, UNU, HABITAT, and UNITAR.<sup>47</sup> Their executive heads each have the delegated authority to approve and manage Trust Funds within the overall parameters of the United Nations' financial regulations and rules, but under their own specific operational guidelines. This usually implies more flexibility and lower costs.

UNDP, for one, has developed into a major force when it comes to the management of development trust funds. Its web site lists nearly one hundred of them, and in total (including funds administered for UNFPA), the aggregate may be closer to two hundred. UNDP cites several comparative advantages, the first and foremost being its executive capacity at the country level. UNDP sources describe, for example, how the Secretary-General visited Rwanda after the genocide, and proposed the creation of a trust fund. Donors gave US\$10 million to the Secretariat, but nothing was implemented. Donors rebelled, and transferred the fund to UNDP. It grew to US\$100 million, supported by a UNDP financial unit on site, and UNDP local program capacity.

Another advantage claimed by UNDP is its more flexible and often lower fee structure. As it is not bound by the General Assembly resolution fixing Secretariat overheads at 13%, it will negotiate, and often charge no more than 1% to 3% above the actual costs of administration. UNDP's internal clearance system is simpler, and "if the money is there" a trust fund can be up and running within a week. As in the

<sup>46</sup> Financial reports and audited financial statements and Report of the Board of Auditors, Volume I, A/53/5

<sup>47</sup> ST/SGB/188 of 1 March 1982

Secretariat, interest earned on trust fund deposits is ploughed back into the fund (in cost sharing, the interest goes to UNDP central services).

UNDP will occasionally disburse funds in advance, if there is a legally binding contribution agreement, provided the money is received within a year of being committed. In terms of oversight, UNDP has decentralised: it assigns a Trust Fund manager to each fund, who is held personally accountable. For purposes of program and financial monitoring, two parallel reports are prepared, reflecting both the UNDP's and the donor's accounting formats. External audit prepares reviews every second year, but substantive reports go out to the donors on a quarterly basis.

While the SRSG and the donors therefore have considerable leeway in choosing a fiduciary, they also have the option of considering the execution of a trust fund's mandate separately from its oversight. It is possible, for example, to contract UNOPS to carry out the actual work. UNOPS is a relatively young UN organisation that essentially functions as an executing arm for other UN organisations. Hence, it does not set up any trust funds itself. Yet, through its Rehabilitation and Social Services Division, as well as its Demining Unit, it can offer substantive support in rebuilding, rehabilitation, and peacemaking. Through its other divisions it can offer many other development services. Such support can be crucial, because it offers the missions rapid substantive and management capacity, bolstered by strong and flexible procedures. UNOPS has, for example, gained valuable experience in administering the Historical Clarification Commission in Guatemala, and it was selected to provide full management services to MINUGUA, the United Nations' political mission in that country. As a rule, UNOPS negotiates overhead costs that range between 6% and 10%, all included. A recent Joint Inspection Unit report asserted that more UN organisations could benefit from co-operation with UNOPS.<sup>48</sup>

Another option is to select the World Bank as the fiduciary for a trust fund linked to peace-building activities. This was the case for the Holst Peace Fund which, though used by implementing agencies co-ordinated by UNSCO, was administered by the Bank. Clearly, the World Bank would get involved only if it also had a programmatic stake in the mission, but given the increased role of the World Bank in addressing problems of poverty and of governance, such linkages between activities under the authority of the UN Secretary-General and programs managed by the World Bank are increasingly common.

Currently, the World Bank is in charge of some 850 active trust funds, with an annual level of disbursements of over US\$1 billion.<sup>49</sup> Its Resource Mobilisation and Co-financing unit provides oversight, and specifically formulates and monitors trust

<sup>48</sup> JIU/REP/98/5, *The United Nations Office for Project Services (UNOPS), Broader Engagement with United Nations Organisations*, Geneva, 1998

<sup>49</sup> [www.worldbank.org/rmc](http://www.worldbank.org/rmc)

fund policies and procedures; all new trust fund proposals are channelled through this unit. While the SRSG in most missions will want to establish special dedicated trust funds, it may be useful to note that the World Bank also manages a large Policy and Human Resources Development Fund, financed by the Government of Japan, that is the largest single source of untied grants to meet the technical assistance needs of developing countries, and that specifically supports post-conflict reconstruction.

#### **4.4 The Mechanics of Cost Sharing**

While, beyond trust funds, there are various other financing instruments for collaborative action (such as Management Service Agreements, used by UNOPS, and Government Cash Counterpart Contributions, applied within UNDP), cost sharing is the most common tool used in practice among the agencies of the United Nations system, including the World Bank.

At the country level, UNDP usually serves as the United Nations system partner most willing and able to create a project that will serve as a legal instrument for a donor cost sharing contribution.<sup>50</sup> Normally, an agreement is drawn up that outlines the financial and administrative handling of the contribution (i.e., schedule and currency of payments, earned interest, administrative charges and reporting requirements), as well as the purpose and the utilisation of the contribution. UNDP's standard rules are applied to all aspects of project design, management, monitoring and evaluation, substantive and financial reporting, international bidding, and disposal of equipment. There is a standard model agreement that is used in most cases. Any modifications have to be consistent with UNDP rules. After a review at UNDP Headquarters of any such modifications, the UNDP country representative and the donor both sign the agreement. Specific guidelines for budget preparation are available from UNDP's web site. UNDP usually charges a flat fee of 3% for administration; any interest earned can revert to the donor or be added to program funds.

There are some inherent rigidities. Thus, while the mission may be the beneficiary, the SRSG has little control over the actual implementation of the project. Moreover, in any given country, the size of a cost sharing project may not exceed 150% of the Indicative Planning Figure allocation (UNDP's core resources), or US\$15 million, whichever is larger. All donor payments have to be made before any planned activities can be implemented. Donors cannot earmark their contribution

<sup>50</sup> See [www.undp.org/brea/drm](http://www.undp.org/brea/drm) for further information and detailed procedures

for a specific budget line, such as consultants, but have to place their contribution at the disposal of the entire project.

In order to work effectively at the country level, the SRSG needs the support of the United Nations System Resident Co-ordinator, who usually also heads the UNDP office. As the United Nations organisations strengthen their integration at the country level, through reforms such as Country Notes and the development of common services, they should be in a better position to supplement and complement, through their respective mandates, what the political or peacekeeping missions are unequipped to do. If donors are willing to back such initiatives with voluntary funding, trust funds and cost sharing arrangements provide the most effective financial instruments to convert political will into action.

## 5 Case Studies

In the case studies, we have focused on the financing vicissitudes of ten specific missions led by SRSGs, missions that contained both political and peacekeeping components and that were conducted in different regions of the world, with some going back to the beginning of the 1990s, some of very recent vintage. Together, these missions portray not only the initial problems and the impact of reforms that have been described in chapter 2, but also the co-financing opportunities described in chapter 4.

### 5.1 The UN Observer Mission in El Salvador (ONUSAL), 1990–1995

#### Introduction

When civil war broke out in El Salvador in 1980, the country split apart into two factions: those who remained loyal to the government and the partisans of the Frente Farabundo Martí para la Liberación Nacional (FMLN). The conflict was rooted in deep social and economic inequities and fuelled by years of repression by El Salvador's armed forces and public security forces. El Salvador's problems were exacerbated by the cold war, as the country became an ideological battleground in the East-West confrontation. A break in the fighting in 1989 opened the door for the United Nations to become involved in the peace process in El Salvador and in the larger Central American arena. Taking a regional approach to peace in El Salvador would prove to be vital as instabilities among the country's neighbours fed the flames of its own discord.

On June 26, 1989 UN Secretary-General Javier Pérez de Cuellar reported to the Security Council and the General Assembly that there had been significant developments in the political turmoil in Central America.<sup>51</sup> This statement would usher in a new, more constructive era of international involvement in El Salvador. After a series of negotiations established a fragile truce between the warring parties, the UN launched a mission in 1990 designed to ensure that the peace would be lasting. This

<sup>51</sup> A/44/344-20699

“United Nations Observer Mission in El Salvador” (ONUSAL) made great strides towards bringing peace back to El Salvador but the mission was not without financial complications. ONUSAL’s financing delays began early and plagued the operation until its conclusion.

### **The Keystone to a Strong and Lasting Peace**

After a number of false starts, a hopeful advance in the El Salvadoran peace process came about in January 1990. During this month, Secretary-General Perez de Cuellar received separate notes from El Salvadoran President Alfredo Christiani and the high command of the FMLN. The letters indicated that both parties were prepared to resume peace talks on the condition that the Secretary-General would perform a good-offices role in the negotiations. With this development, Mr. Perez de Cuellar appointed Mr. Alvaro de Soto (Peru) as Special Representative of the Secretary General for El Salvador in late January. Now negotiations could begin, and all were hopeful that El Salvador would leave its violent past behind.

This momentum continued during the spring of 1990. Progress made at negotiations in Geneva and in Caracas culminated in San Jose, Costa Rica, on July 26. It was on that day that the Government and the FMLN signed their first substantive agreement: the San Jose agreement on Human Rights.<sup>52</sup> The document called for the establishment of a UN verification mission to monitor the situation of human rights in El Salvador as soon as a cease-fire could be reached. The San Jose agreement outlined the roles that the parties wished the United Nations verification mission would play. Specifically, the mission would concentrate on the observance of the right to life, the integrity and security of the person, due process of law, personal liberty, freedom of expression and freedom of association. Overwhelmingly, the warring factions cast the protection of such human rights in El Salvador as the keystone of a strong and lasting peace in their country.

On August 29, 1990 the Secretary-General requested the approval of the Security Council to establish a preparatory office in El Salvador in advance of a United Nations Mission. Mr. Perez de Cuellar explained that once established the office would explore the feasibility and requirements of a UN observer mission in El Salvador. Eight days later (September 6, 1990) the Security Council agreed to the proposal. Unfortunately, the highly volatile situation in El Salvador during the autumn of 1990 precluded the deployment of the preparatory office for the time being.

With the conflict raging in El Salvador, appeals flooded into the UN headquarters requesting that the organisation establish a mission as soon as possible, and without waiting for a cease-fire. On December 21, 1990 the Secretary-General

<sup>52</sup> reported to the General Assembly and the Security Council as A/44/971 and S/21541

informed the Security Council that he intended to request authorization to establish the United Nations Observer Mission in El Salvador. In his statement, the Secretary General emphasised that the protection of human rights would be the linchpin of a peaceful settlement to the civil war. For this reason Mr. Perez de Cuellar recommended that “the human rights verification component of ONUSAL be established as soon as the necessary preparations have been made on the ground.” Again the Secretary General proposed to initiate UN activities in El Salvador before the government and the FMLN had ceased armed hostilities. This time Mr. Perez de Cuellar would not be deterred; on January 1, 1991 the UN opened a small preparatory office in San Salvador.

Over the next three and a half months, the UN’s preliminary mission examined the feasibility of expanded operations in El Salvador. On April 16, 1991 the advance mission recommended that the United Nations begin verification of the San Jose Agreement without awaiting a cease-fire.<sup>53</sup> In addition, the report advised the Security Council that the time was right to authorize the initial establishment of ONUSAL. The report of the preliminary mission confirmed that there was a strong and widespread desire in all sectors of opinion in El Salvador that the United Nations should commence, as soon as possible, the verification of the agreement.

Within the report, the Secretary-General included estimates of the costs associated with the establishment of ONUSAL’s verification component. Although the Secretary General did not provide an itemized budget for the consideration of the Security Council in his April 16, 1991 report, he did give an outline of the requirements for the successful implementation of the mission. The expenses would cover the costs of a staff of 70 personnel, a reliable communications system and transport resources. The initial costs of the preparatory mission were also included in the cost estimates for the operation. The total cost of ONUSAL, for an initial period of twelve months, would be approximately US\$32 million. Mr. Perez de Cuellar noted that this estimate was singularly high because it included the start-up costs for the procurement of vehicles and communications equipment. Finally, the Secretary-General indicated that the costs of the operation would be divided amongst all of the member states as expenses of the organisation.

On May 20, 1991 the Security Council passed a resolution in which it established the ONUSAL mission (S/RES/693). The mission was given the mandate to “monitor all agreements concluded between the two parties, whose initial mandate in its first phase as an integrated peacekeeping operation will be to verify the compliance with the Agreement on Human Rights”. The specific verification tasks of the human rights component were categorised as follows:

<sup>53</sup> S/22494



- active monitoring of the human rights situation in El Salvador;
- investigation of specific cases of alleged violations of human rights;
- promotion of human rights in El Salvador;
- issuance of recommendations to eliminate violations of, and to promote respect for, human rights.

The Security Council concurred with the recommendation of the Secretary-General that the ONUSAL mission should carry out these tasks for an initial period of 12 months.

When the Secretary-General's proposal reached the General Assembly it met with some difficulty. On June 12, 1991 the Advisory Committee on Administrative and Budgetary Questions (hereafter referred to as the ACABQ) reported that actual budgetary requirements for ONUSAL might be considerably lower than the amount requested in the report of the Secretary-General. In its report, the ACABQ called for a number of cost saving measures including: procuring equipment from the UN Supply Depot in Pisa, reducing the salaries of international staff, and purchasing fewer vehicles and less communications equipment. The committee reached the conclusion that a total amount of US\$23 million should prove sufficient for ONUSAL for the period from July 1, 1991 to June 30, 1992. It further recommended that the General Assembly appropriate and assess a total of US\$13.8 million for the first six months, i.e., until December 31, 1991. The General Assembly approved the recommendations of the ACABQ on June 21, 1991, appropriating US\$13.8 million for the mission instead of the requested US\$31.2.<sup>54</sup> Despite its pared down budget, ONUSAL was officially inaugurated on June 26<sup>th</sup>.

While the UN's human rights verification component had been established, El Salvador was still divided by deep political instability. In an effort to move ahead with the peace process the Secretary-General invited President Christiani and the High Command of the FMLN to come to New York for consultations. The marathon negotiations between the Government and the FMLN lasted until the last day of 1991. On December 31, the interlocutors signed the Act of New York. This agreement, combined with agreements previously signed at San Jose, Mexico City and New York, completed the negotiations on all substantive issues of the peace process. The agreement called for an expanded role for the United Nations in El Salvador and by implication a far greater financial burden for member states.

On the January 3, 1992 the Security Council welcomed the signing of the Act of New York. The Council also noted its understanding that ONUSAL's expanded mandate would carry significant expenses. In a statement issued on that day, the

<sup>54</sup> A/45/267

President of the Security Council ensured newly installed Secretary-General Boutros Boutros-Ghali that the Council stood ready to deal expeditiously with any recommendations for the expansion of the ONUSAL mandate. Thus began a cycle of expansions to the ONUSAL mandate that would continue until the conclusion of the operation in 1995.

### **The Ever Expanding Mission**

On January 10, 1992 Mr. Boutros-Ghali, newly appointed, reported to the Security Council<sup>55</sup> that in order for the Agreement of New York to succeed, the Council would have to approve “an immediate and substantial increase in ONUSAL’s strength”. Costs for the expansion of ONUSAL’s mandate were estimated at US\$58.9 million over a period lasting from January 1 until October 31, 1992. The budget called for the following expanded requirements (in thousands of U.S. dollars):

Military Observers	5,870
Police Observers	12,590
Death and Disability	750
Civilian Personnel	15,510
Premises	3,510
Vehicle Operations	6,590
Aircraft Operations	7,250
Communications	3,530
Miscellaneous Equipment	1,030
Miscellaneous Supplies	2,310
Total	58,940

On January 14, 1992 the Security Council agreed<sup>56</sup> to transform ONUSAL into the full-fledged mission envisioned in the Secretary-General’s January 10 report. Soon afterwards the issue went before the ACABQ. The committee examined ONUSAL’s new budget for nearly five months, finally releasing its report<sup>57</sup> on May 5. Again the ACABQ questioned the need for certain expenses included in the Secretary-General’s budget. The committee recommended that the General Assembly appropriate US\$39 million for the period of January 1, 1992 through October 31 of that year. Now the financing issue was in the hands of the Fifth Committee of the General Assembly. On May 21 the Fifth Committee issued a report<sup>58</sup> in which it concurred with the findings of the ACABQ. The following day the General

<sup>55</sup> S/23360

<sup>56</sup> S/RES/729

<sup>57</sup> A/46/904

Assembly completed the cycle releasing ONUSAL's US\$39 million appropriation. Five months had passed since the budget had been submitted, and during this whole period, the mission suffered from inadequate staffing and resources. Yet, despite this financing logjam, on the 31st of January 1992 ONUSAL's military personnel were deployed. The next day an official cease-fire took hold across El Salvador.

The cease-fire was strengthened on February 7, 1992 when the deployment of ONUSAL's police observers commenced. Although peace spread throughout the country during the spring of 1992, the implementation of the military agreements between the FMLN and the Government of El Salvador lagged months behind schedule. Thus on May 15 the Secretary-General informed the Security Council that it would be necessary to maintain the activities of ONUSAL's Military Division, which were to have been reduced after June 1.<sup>59</sup> The Security Council approved the extension of the UN's military component on June 3, 1992, but not without reservations,<sup>60</sup> as it had become concerned about delays in adhering to the peace agreement timetable for implementation. The lack of adequate and timely financing of the mission certainly was a contributing factor in these delays.

Recognising the importance of putting the peace process back on schedule, the Secretary-General invited the leaders of the FMLN and officials from the Christiani Government to New York. The purpose of the meetings was to remove any barriers or misunderstandings that had slowed the implementation of the agreements between the parties. Success was reached on October 23, 1992 when Mr. Boutros-Ghali proposed a new target date of December 15 for the complete dismantling of the FMLN's military structure and for the formal cessation of the armed conflict.

It's noteworthy that the original date for this event had been October 31, 1992 (the end of the current mandate), hence the peace process was operating a month and a half behind schedule. This would prove to be a costly delay for the United Nations, as a number of mission extensions followed. In order to oversee these activities the Secretary-General recommended on October 28 that the Security Council expand ONUSAL's mandate through the 30th of November. The Security Council agreed to this on October 30.<sup>61</sup>

Just as it appeared that ONUSAL's mandate would expire on November 30, the Security Council issued a two part resolution on the situation in El Salvador.<sup>62</sup> First,

<sup>58</sup> A/46/924

<sup>59</sup> S/23987

<sup>60</sup> S/24058

<sup>61</sup> S/RES/784

<sup>62</sup> S/RES/791

it urged the FMLN and the Government of El Salvador to implement their commitments on a timely basis. Secondly, the resolution moved to extend ONUSAL's mandate until May 31, 1993. The financing process now returned to the General Assembly. This time however, the UN's funding mechanism functioned in a slightly different way. As a visible indicator of the reform process that ultimately would lead to General Assembly resolution 49/233, a more flexible procedure was introduced. In view of the lack of time to consider the Secretary-General's report on the financing the General Assembly authorized the Secretary-General to enter into commitments up to the amount of approximately US\$8 million. These funds were allocated for the maintenance of ONUSAL through February 28, 1993.

Despite this preliminary allocation, the expanded budget still needed to pass through the normal General Assembly channels. The ACABQ set about reviewing the new cost estimates in early December. Because the October and November expansions of the ONUSAL mandate had followed in short succession, the ACABQ chose to consider them together. The Advisory Committee's response time proved to be notably faster than usual, as it reported its findings on March 2, 1993. The Committee approved prior ONUSAL financing and recommended that the Secretary-General be given commitment authority in the amount of US\$2.9 million per month for the period after May 31, 1993, if the Security Council decided to further extend the mission's mandate. On March 16 the General Assembly appropriated US\$17.2 million for the period of December 1, 1992 through May 31, 1993.<sup>63</sup> In addition, and again in a spirit of reform, the General Assembly approved the ACABQ's advance financing scheme for future enlargements of ONUSAL's mandate.

The Security Council's strongly worded statement of November 30 that the government and the FMLN should observe the mission's amended timetable did little good. The next six months were plagued by delays and complications. The Secretary-General reported this news to the Security Council on May 21, 1993.<sup>64</sup> In his report, Mr. Boutros-Ghali detailed the myriad problems that had delayed the operation, attributing them largely to the climate of distrust between the Government and the FMLN. With the mission still incomplete, the report called for the extension of ONUSAL's mandate until November 30, and requested the enlargement of the operation to include an electoral division. The Secretary-General also intended to request "a further renewal of the mission's mandate to enable it to complete its verification of the elections." Three days later, the Secretary-General submitted an addendum to his report that detailed the financial implications of

<sup>63</sup> A/47/223

<sup>64</sup> S/25812

expanding ONUSAL. The budget estimates covered not only the initial expansion to November 30, but projected costs associated with the likely additional thematic expansion as well. The Secretary-General's budget requested an additional appropriation of approximately US\$7 million, mainly to cover civilian personnel for the electoral process.

On May 27, 1993 the Security Council agreed to support the Secretary-General's request to extend and expand the mandate.<sup>65</sup> Again, ONUSAL's financial stability was in the hands of the ACABQ and the General Assembly. The Secretary-General's request for further financing of ONUSAL reached the General Assembly on July 8, 1993.<sup>66</sup> In this document, Mr. Boutros-Ghali increased his estimate of the cost of the operation for the period lasting until November 30, 1993 to US\$20.2 million. The ACABQ set right to work on the budget, releasing its report on July 27 and recommending an appropriation of no more than US\$18 million for the period.<sup>67</sup> Unfortunately, the proposal's speedy trip through the ACABQ would not serve as a precedent for its approval in the Fifth Committee. That body did not make its recommendation, which concurred with the findings of the ACABQ, to the General Assembly until September 9, 1993. On September 14, the General Assembly approved the appropriation for ONUSAL's expansion and extension as requested. Once more, the mission had been without official funding for over three months.

Throughout 1993, concern grew amongst UN officials over the continuing expansion of the ONUSAL mandate. The climate of suspicion between the Government of El Salvador and the FMLN that had caused such serious delays in the implementation of the peace agreements now made contributing members of the United Nations impatient. Mid-August brought encouraging news, ONUSAL had certified that the destruction of the FMLN's weapons and equipment had been completed. This ended ONUSAL's disarmament verification mandate. Further hope was held out that El Salvador's national elections, scheduled for March 20, 1994, would stand as the beginning of the end of UN involvement in the country.

### **ONUSAL's Endgame**

As promised in his May 21 report, on November 23, 1993 the Secretary-General issued his fifth report on ONUSAL and requested a further extension of the mission's mandate.<sup>68</sup> The report noted that the implementation of the peace accords

<sup>65</sup> S/RES/832

<sup>66</sup> A/47/751

<sup>67</sup> A/47/983

<sup>68</sup> S/26790

was proceeding smoothly but that recent developments had placed all of the prior achievements in peril. In addition to his request to extend ONUSAL's mandate once again, the Secretary-General related that SRSG de Soto had requested the recruitment of several additional police observers and a modest increase in the mission's political and economic staff. Seven days later the Security Council voted to extend ONUSAL's mandate until May 31, 1994.<sup>69</sup> On January 12, 1994 the Secretary-General's cost statement was submitted to the ACABQ calling for an appropriation of US\$19.9 million for the extension.<sup>70</sup> Again the Committee adjusted the figures and suggested in its March 8 report that the General Assembly appropriate US\$19.5 million.<sup>71</sup> The General Assembly officially agreed on April 5, 1994.<sup>72</sup> This was four months after the previous mandate had expired, and less than two months before the latest mandate expired again.

On June 1, 1994 Mr. Armando Calderon Sol was inaugurated as President of El Salvador after winning peaceful, free and fair elections. This event marked the successful formal conclusion of the El Salvadoran peace process and the ceremonial end of ONUSAL's mandate. By this point a significant draw-down of UN personnel had already taken place and the mission would continue to shrink over the next ten months until its official conclusion at the end of April 1995. Two small extensions of ONUSAL's mandate on May 26, 1994 and October 31, 1994 allowed the UN to complete a gradual phasing-out of ONUSAL.

By that time, ONUSAL had gone through nine complete budgetary cycles, including the preparation of nine distinct, detailed budgets, nine detailed documents citing ACABQ's views, nine detailed documents spelling out the Fifth Committee's position, and nine General Assembly resolutions finally authorising the collection and ultimately the release of funds. Time and again, funding had lagged months behind expenditures, and time and again, lack of resources had created operational bottlenecks. No wonder that by late 1994, Member States and the Secretariat alike were utterly frustrated by the process, and were clamouring for change.

While the aggregate cost of ONUSAL amounted to some US\$120 million, this expenditure must be seen against the backdrop of the overall external assistance to El Salvador, which came to US\$1,628 million for the period 1992 to 1995: US\$699 million from bilateral sources (mainly the US), and US\$ 929 million from

<sup>69</sup> S/RES/888

<sup>70</sup> A/48/842

<sup>71</sup> A/48/898

<sup>72</sup> A/48/243

multilateral institutions.<sup>73</sup> Most of this funding was directly related to the Peace Accords, and although little was channelled through the United Nations system (US\$68 million), it certainly created the climate and the material circumstances that allowed the peace process to evolve and to take hold. Without this major international effort, ONUSAL would have functioned in a futile vacuum; with it, it was able to play a useful role as a mediator and monitor.

## **5.2 The UN Transitional Authority in Cambodia (UNTAC), 1991–1993**

### **Introduction**

Bringing peace and democracy to Cambodia required a historic effort on the part of the United Nations. Violence was well entrenched in the country when the UN first turned its attention to the tragedy of Cambodia in the late 1970's. Due to a lack of consensus in the Security Council, the organisation was unable to intervene for many years. Soviet-American rapprochement and an improvement in relations among China, the Association of South-East Asian Nations (ASEAN) and Vietnam cleared the way for the United Nations to push for peace in Cambodia. After a series of negotiations established a truce between the warring parties, the United Nations launched two missions designed to ensure that the peace was lasting. The United Nations Advance Mission in Cambodia (UNAMIC) and its sister operation, the United Nations Transitional Authority in Cambodia (UNTAC) were perhaps the largest and most ambitious missions the United Nations has ever sent forth. Closer inspection of the financing process for these missions yields some interesting conclusions.

### **The Paris Peace Conference and the Establishment of UNAMIC**

The story of the United Nations' involvement in the Cambodian peace process begins in August 1989, when France and Indonesia sponsored the Paris Peace Conference on Cambodia. In attendance were the four Cambodian parties, (FUNCINPEC, the KPNLF, the PDK and the government of the State of Cambodia SOC) and representatives from nineteen interested countries. The proceedings mapped out a broad strategy for peace in Cambodia. The meetings laid the groundwork for an end to the civil war, but a comprehensive political settlement proved elusive.

<sup>73</sup> James Boyce: *External assistance and the Peace Process in El Salvador*. World Development, Vol. 23, No. 12, 1995

Over the next several months the international community presented a number of different options for peace in Cambodia. In January 1990 the five permanent members of the United Nations Security Council met in New York to discuss the situation in Cambodia, leading to a statement from the Security Council in which it defined the future role of the United Nations in post-war Cambodia, and spoke of the “heavy financial burden that may be placed on member states.”<sup>74</sup> This statement can be seen as the genesis of the Cambodian missions.

On 27 and 28 August 1990, diplomats from the permanent five came together in Paris to discuss once again developments in Cambodia. During this meeting the group reached a breakthrough agreement on a framework for a comprehensive political settlement. This plan outlined a significant role for the United Nations in the areas of peacekeeping, human rights protection, and civil administration. By implication this indicated that the United Nations would be funding a Cambodian operation. This implied funding became a reality on 20 September, when the Security Council issued a resolution that endorsed the framework devised in Paris.<sup>75</sup> The final paragraph calls upon states to support the achievement of a comprehensive political settlement as outlined in the plan. Clearly, this was a thinly veiled first call for voluntary contributions.

Over the next year negotiations between Cambodia’s four factions, the permanent members of the Security Council, and the Association of South-East Asian Nations solidified the peace in the country. With a cease fire in place and the easing of political tension throughout the country the United Nations could play an active role within Cambodia. On August 8, 1991 Secretary-General Perez de Cuellar informed the Security Council that he intended to dispatch a survey mission to Cambodia as soon as possible.

By the end of September, the Secretary-General had submitted a proposal for a United Nations Advance Mission in Cambodia (UNAMIC).<sup>76</sup> Under the plan, UNAMIC would consist of a three sections, each one fulfilling a different part of the mission’s mandate. The leading role would be played by the military section. The Secretary-General charged UNAMIC’s military liaison officers with the task of protecting the cease-fire brokered at the Paris Peace Conference. In order to preserve this fragile peace the military liaison officers, in a “good offices” role, were to facilitate communication between the military headquarters of each of the country’s four factions. In addition to the military section, a civilian liaison staff was to prepare the way for the deployment of UNTAC. These individuals worked in close

<sup>74</sup> S/21807

<sup>75</sup> S/RES/688

<sup>76</sup> S/23097



co-operation with the SNC on other matters related to the implementation of the Paris agreements. Lastly, a mine-awareness unit was to deploy small teams throughout the countryside.

In his proposal, the Secretary-General suggested that UNAMIC be considered a peacekeeping operation and hence should be financed by all of the member states in accordance with Article 17, paragraph 2, of the Charter. An addendum to the proposal included estimates of UNAMIC's staffing and financial requirements. The mission would require a staff of 268 individuals and a budget of almost US\$19.9 million. In the proposal, the Secretary-General provided the Security Council with the following breakdown of UNAMIC's proposed expenditures:

- Military personnel
- Civilian personnel
- Construction and maintenance of premises including utilities
- Vehicle operations
- Aircraft operations
- Communications
- Miscellaneous equipment
- Supplies and services
- Freight and related costs
- Support account for peacekeeping operations.

Sixteen days later the Security Council approved the plan for UNAMIC as presented by the Secretary-General.<sup>77</sup> The resolution called for the establishment of UNAMIC "immediately after the signing of the agreements for a comprehensive political settlement of the Cambodia conflict." On October 23, Cambodia's four factions signed a comprehensive agreement in Paris. This cleared the way for the UNAMIC to be deployed, with some personnel arriving in Cambodia on November 9. This also marked the beginning of the transition period in Cambodia, but the United Nations' own transition mission was still in the planning stages.

Recognising this problem, the General Assembly passed a resolution on the situation in Cambodia on November 20, 1991, supporting the rapid establishment of UNTAC.<sup>78</sup> The resolution noted that Cambodia would require far more than just

<sup>77</sup> S/RES/717

<sup>78</sup> A/Res/46/18

a peacekeeping mission if peace and democracy were to last: substantive economic and social reconstruction efforts were needed. In this way it highlighted the importance of UN agencies and other international humanitarian and development organisations involved in Cambodia. The statement called for voluntary contributions to these groups.

Within a month of arriving in Cambodia it became clear to UNAMIC officials that an aggressive mine clearing program would be necessary, not just awareness training. Thus, by the end of December 1991, the Secretary-General had recommended that UNAMIC's mandate be expanded to include training in mine clearing and the initiation of a de-mining program.<sup>79</sup> In his recommendation, the Secretary-General estimated that the expansion of UNAMIC's mandate would cost US\$24.7 million. It is interesting to note his comment that "in view of the present financial situation of the Organisation, it will not be possible to undertake the activities proposed in this report until the necessary cash resources become available." Nine days later the Security Council approved the Secretary-General's request. The money was released by the General Assembly on February 14, 1992.

### **From UNAMIC to UNTAC**

In January 1992, Mr. Boutros Boutros-Ghali succeeded Mr. Perez de Cuellar as Secretary-General of the United Nations. The new Secretary-General immediately turned his attention toward Cambodia, and initiated two important steps toward solidifying the United Nations' presence there. First, on January 9, he appointed Under-Secretary-General Yasushi Akashi (Japan) as his Special Representative for Cambodia. Later in January the Secretary General wrote a letter to the Security Council requesting authorization to establish UNTAC. Cambodia had been in its transition period for nearly three months, and since the signing of the Paris accords UNAMIC had been working to guide Cambodia towards elections. The advance mission's mandate, however, did not give it the freedom necessary to properly administer the transition in Cambodia. As a result, the Security Council was to expedite the establishment of the UNTAC mission.

In his statement, the Secretary-General called for an initial appropriation of US\$200 million, which "upon the approval by the Security Council of my report on the implementation plan, should be made available immediately." Mr. Boutros-Ghali justified his unconventional approach toward financing the UNTAC operation by saying that circumstances within Cambodia made it imperative that the regular budgetary process be circumvented. Sensing the urgency of the Secretary-General's

<sup>79</sup> S/2331, 30 December 1991

request, the Security Council quickly agreed to support the proposal and sent it along to the General Assembly for final approval.

Under normal circumstances, as described above, funds cannot be appropriated for a United Nations operation until after the Advisory Committee on Budgetary Questions, the Fifth Committee, and the General Assembly have all approved a detailed budgetary proposal for the mission. The Secretary-General's attempt to short-circuit this often time-consuming process was therefore quite unusual. In his report to the General Assembly, Boutros-Ghali explained that, because of Cambodia's degraded infrastructure, most of the equipment and supplies for the mission would have to be imported. Once the required material had been purchased, it would take several months before enough of it reached Cambodia to allow for the initial deployment of the mission. Therefore, the Secretary-General reasoned, "it would be necessary for the Organisation to be provided with an initial appropriation of US\$200 million in order to facilitate the timely deployment of UNTAC as expected by the international community."

This "appropriate first, ask questions later" approach was further justified by a citation of the General Assembly's own sentiments. The Secretary-General referred to a General Assembly resolution issued in December 1989 that called for flexibility in the financing mechanisms for UN peacekeeping missions.<sup>80</sup> The General Assembly's statement underscored two important points. First, it recognised that "each peacekeeping operation has special characteristics, which thus calls for flexibility in addressing the administrative requirements of each operation." Secondly, the resolution stated that the General Assembly should ensure that peacekeeping operations were provided with the essential start-up costs when they were most needed. In his report to the General Assembly, the Secretary-General wrote that UNTAC needed to be funded immediately and that this General Assembly resolution provided it with the authority to side-track the normal financing procedures.

The General Assembly agreed. On February 14, 1992 it approved the Secretary-General's request for the initial appropriation of US\$200 million. The next week, the Secretary-General submitted his proposed implementation plan for UNTAC to the Security Council. On February 28, the Security Council agreed to support the plan. In its resolution, the Security Council appealed to all states to make voluntary contributions.<sup>81</sup> These contributions would help defray the costs for the specific tasks of rehabilitation and the repatriation of refugees and displaced persons.

The budget that the Security Council approved on February 19, 1992 had a grand total of just under two billion dollars, including the US\$200 million

<sup>80</sup> A/44/192

<sup>81</sup> S/RES/745

appropriation already released for UNTAC's start-up costs. Civilian and personnel costs stood as the most expensive item in the budget, coming in at US\$426 million, followed closely by construction and maintenance of premises, at US\$418 million. The budget included other items such as:

- Military personnel costs
- Air operations
- Transport operations
- Communications
- Miscellaneous equipment
- Supplies and services
- Assistance to factions
- Training requirements
- Air and surface freight
- Allowance for contingencies

In addition, the Secretary-General's budget proposal provided for "pre-implementation costs" to cover the UNAMIC mission for a period lasting until the 30th of April 1992. It was proposed that after this period UNAMIC's duties would be subsumed by UNTAC. It seems curious that an item in UNTAC's budget provided for the extension of UNAMIC's mandate. The story behind this anomaly (as it emerged from interviews) is that the funds were provided as a contingency that would allow UNAMIC to continue functioning if UNTAC was unable to deploy by its target date. This proved to be an unnecessary precaution. UNTAC officially began (on time) on March 15, 1992 when Force Commander Lieutenant General John Sanderson arrived in Phnom Penh, accompanied by his senior aides.

### **Rebuilding Cambodia and the UNTAC Endgame**

With the peacekeeping process moving ahead smoothly in mid-1992, the Secretary-General was able to turn his attention to the repatriation of refugees and the rehabilitation of the state. UNTAC's mandate to stabilize Cambodia was highly dependent on the international community's efforts to rebuild the country. Funds for these vital activities would have to come from donor nations as voluntary contributions. In order to launch an aggressive humanitarian appeal, the Secretary-General travelled to Phnom Penh in late April 1992, where he cited the need for US\$593 million.

This was itemized in his “First Progress Report on UNTAC”, and covered expenditures for food, health services, shelter, education, training, restoration of the country’s basic infrastructure, public utilities, and the repatriation of refugees in Thailand.<sup>82</sup> A Technical Advisory Committee was created to co-ordinate rehabilitation efforts and to work as an intermediary between donor states and the SNC government.

The campaign to rebuild Cambodia got a boost in June, when Japan hosted a Ministerial Conference on the Rehabilitation and Reconstruction (MCRRC) in Tokyo. The meetings were co-chaired by the host and the United Nations Development Programme (UNDP). Thirty-five countries attended the meeting, and they responded generously to the Secretary-General’s appeal. Together they pledged US\$880 million in aid for Cambodia, surpassing the US\$593 million sought. Unfortunately, by early 1993 only US\$95 million had actually been disbursed. In addition, a lack of funding for training and maintenance of social services threatened to compromise UNTAC’s mandate. Donors came together again in Phnom Penh in February 1993 to recommit themselves to the speedy disbursement of their pledges. As of mid August 1993, approximately US\$200 million had been disbursed.

Besides generating contributions, the MCRRC also established the International Committee on the Reconstruction of Cambodia (ICORC) to administer the distribution of the aid funds. The ICORC, chaired by Japan, was an organisation open to countries and international organisations engaged in the medium and long term reconstruction of Cambodia. The Tokyo Declaration on the Cambodian Peace Process defined the role of the ICORC as “a forum through which contributors can exchange views and information with the Cambodian authorities, with the objective of co-ordinating better the international assistance for the reconstruction of Cambodia.”<sup>83</sup>

The establishment of the ICORC signalled the conclusion of the initial funding process for the UNTAC mission, but the financing story does not end here. On February 19, 1993 the Commission on Human Rights called for the Secretary-General to ensure a continued United Nations human rights presence in Cambodia after the expiration of the UNTAC mandate.<sup>84</sup> In its resolution, the Commission requested that the Secretary-General provide additional resources, within existing overall UN resources, to fund a Human Rights presence within the framework of other UN activities in Cambodia. In addition, the resolution called upon donor governments to contribute to the Trust Fund for the Programme in Human

<sup>82</sup> S/23870

<sup>83</sup> A/47/285

<sup>84</sup> E/CN.4/RES/1993/6, 19 February

Rights Education for Cambodia. This trust fund was created and administered by the Commission on Human Rights. Specifically it sought to provide funding for:

- educational and technical assistance
- advisory programmes for the Government of Cambodia
- support for human rights groups in Cambodia
- training of persons responsible for the administration of justice.

Late in the mission, in July 1993, the Secretary-General returned to the Security Council to request US\$20 million in emergency financial assistance to support the Interim Joint Administration's administrative, police and military structures, noting that "urgent measures must be taken."<sup>85</sup> The Security Council quickly approved the Secretary-General's recommendations. ACABQ, the Fifth Committee and the General Assembly concurred, and the mission moved toward its conclusion on September 24, 1993.

The relatively smooth manner in which the financing of UNAMIC/UNTAC was handled by the various United Nations bodies involved in the review and approval process – and the unorthodox exceptions to the financial rules made for UNTAC – show how a politically prominent mission can obtain a level of support and "red carpet" treatment that a less popular or visible operation could not mobilize. The abundant voluntary parallel financing available for the Cambodian peace process further indicates that political will remains the ultimate elixir for successful peace-building.

## **5.3 The UN Operation in Mozambique (ONUMOZ), 1992–1994**

### **A belated start**

When peace came to Mozambique at the end of 1992, the United Nations seemed to be caught by surprise. Its Department of Political Affairs had participated in the later stages of the negotiations between the two protagonists in Mozambique's lengthy and violent civil war: the rebel movement, RENAMO, and the Government, FRELIMO. In the plans for implementation of the peace accord, the United Nations had been given a pivotal role. Yet, when the peace accord was signed in Rome on 4 October 1992, no Special Representative of the Secretary-General (SRSG) had

<sup>85</sup> S/26095

been identified. No Status of Forces Agreement had been discussed with the Government. A mission to assess the logistics requirements for the United Nations' multifaceted tasks departed only in early September, less than four weeks before the President of Mozambique, Joaquim Chissano, formally requested the United Nations to oversee the implementation of the peace accord.

During the negotiations leading to the peace accord, the UN had undertaken to orchestrate a most ambitious and complex set of inter-related activities: to verify the parties' adherence to a cease-fire; to supervise the withdrawal of foreign troops; to arrange for the demobilisation of the combatants and to support their return to civil society; to monitor compliance with the political aspects of the accord; to prepare the ground for an electoral process; to facilitate the establishment and registration of political parties; and to co-ordinate the activities of the many UN system actors involved in the delivery of humanitarian aid as well as post-conflict recovery assistance, while ensuring their impartiality.

Only on the day that the peace accord was signed did the search begin for an SRSG. Given the important role that Italy had played in the peace process, nationality became the dominant criterion for selection. Thus Aldo Ajello, then Director of External Relations at UNDP and an unknown quantity to the Secretariat, was quickly summoned to the Secretary-General's office, enlisted to serve as "interim" SRSG, and told to report to Maputo by October 15. This somewhat random selection process, however, led to outstanding results, as Ajello's strong political and improvisational skills happened to match the requirements of the mission perfectly.

These skills were immediately put to the test, not only when the cease-fire was violated upon his arrival in Maputo, but also when it came to the preparation of a coherent design for the mission for consideration by the Security Council. Having seen the debacle of the UN's under-funded and understaffed mission in Angola, Ajello argued that the scope of the UN's role under the peace accord called for a large contingent of troops, a solid civilian component, and a large number of observers for the electoral process. His views prevailed within the Secretariat, and he managed to convince officials at the US State Department and the Pentagon (whose support for a positive US response in the Security Council was critical), that the Council could ill afford another Angola, and that, in any event, the incoming US administration would get the bill.<sup>86</sup> The Secretary-General, in his report to the Security Council,<sup>87</sup> proposed to mobilize 354 Military Observers, about 5,500 troops, 130 civilian police, hundreds of civilian officials, and up to 1,200 electoral observers.

<sup>86</sup> Synge, Richard, *Mozambique: UN Peacekeeping in Action, 1992–94*, Washington D.C., United States Institute of Peace Press, 1997

<sup>87</sup> S/24892, 3 December 1992, and Add. 1, 9 December 1992

The cost of the operation was estimated at US\$332 million over a twelve-month period, with US\$158 million budgeted to cover military aspects. The Security Council gave its approval on December 16, 1992.

While this budget included the cost of technical assistance to the electoral process, it did not include the cost of conducting the elections themselves. Likewise, the cost of international teams organising the demobilisation and repatriation of former combatants was included, but not the cost of the actual demobilisation and repatriation programs. This apparent anomaly goes to the heart of the funding process for peacekeeping and peace-building operations: the Security Council's ability to ensure implementation of its decisions is extremely limited, as it interprets the concepts of peace and security within its mandate in a very narrow manner. In the resolution establishing ONUMOZ, therefore, the Security Council called on member states "to contribute voluntarily to United Nations activities in support of the Agreement", and it requested United Nations programs and specialized agencies "to provide appropriate assistance and support for the implementation of major tasks arising from the Agreements".<sup>88</sup>

### **Voluntary funding**

In parallel with his efforts to mount a peacekeeping operation, therefore, the Secretary-General undertook a major fund raising campaign to ensure that the economic and social aspects of the peace process would not be neglected. In a report on the "special programmes of economic assistance to Mozambique", dated 22 October 1992, he described how the United Nations system had supported Mozambique's emergency programs during the years of drought and political instability, and he appealed to the international community to step up its voluntary contributions as famine and mass starvation threatened the Mozambican people.<sup>89</sup> This set the tone for the conference of donor countries agreed upon under the General Peace Agreement, and convened by the Government of Italy in Rome on December 15 and 16, 1992, where pledges were made in the amount of some US\$450 million to finance the electoral process (US\$ 77 million), emergency programs for the reintegration of displaced persons and returning refugees (US\$265 million) and for the reintegration of demobilised soldiers (US\$110 million).<sup>90</sup> The success of the appeal presented to this donors' conference can to a large part be attributed to its origins: it

<sup>88</sup> S/RES/797 (1992)

<sup>89</sup> A/47/539

<sup>90</sup> The United Nations and Mozambique, 1992–1995, United Nations Blue Book Series, Volume V, p. 161 ff.



was based on a common document jointly prepared by the Government and RENAMO. It was agreed that, of the funds provided by donor countries, “an appropriate share should be placed at the disposal of political parties to finance their activities.”<sup>91</sup>

The amount pledged at the Rome donor conference in 1992, however, was only a small portion of the total aid flow to Mozambique during the years that the peace accord was implemented. In a study prepared for the Center on International Cooperation,<sup>92</sup> Nicole Ball and Sam Barnes estimate that the external assistance flow to Mozambique was US\$908 million in 1992, US\$808 million in 1993 and US\$1,023 million in 1994 – which demonstrates that the costs of support to the peace process far exceeded the costs of the peacekeeping operation (which came to a total of US\$700 million for the entire duration of ONUMOZ). The Consultative Group convened in 1993 by the World Bank, for example, received pledges exceeding US\$1 billion to cover expenses foreseen for 1994 related to demobilisation, de-mining, reintegration, resettlement, elections and non-food relief items. Many of these pledges reflected commitments also made in other fora, such as the United Nations Consolidated Appeals.<sup>93</sup>

Ball and Barnes, in their study, show that there is often a large gap between pledges and actual disbursements, so that any estimates of actual cash flow have to be based on data other than commitments made at donor conferences. A case in point was the Reintegration Support Scheme for demobilised soldiers, managed by UNDP. While a total of US\$27.6 million had been pledged, only US\$8.9 million had been received by the time ONUMOZ’s mandate came to a close – meanwhile, UNDP had spent US\$31.9 million to get the job done.<sup>94</sup>

Several trust funds were established under the aegis of the United Nations to receive the sums that were pledged. In May 1993, the United Nations created a Trust Fund for the Implementation of the Peace Agreement, with an initial US\$6 million from Italy. This was in fact intended only for RENAMO, in accordance with protocol III of the General Peace Agreement, so that it could transform itself from a rebel force into a political party. While the Government of Mozambique was meant to contribute a share, the bulk of the trust fund’s resources came from the Italian Government, which allotted over US\$15 million over a period of two years. In

<sup>91</sup> S/24813, 16 November 1992

<sup>92</sup> Nicole Ball and Sam Barnes, “Mozambique”, *Good Intentions: Pledges of Aid for Postconflict Recovery*, Boulder, Colorado: Lynne Rienner 2000

<sup>93</sup> A/49/387, 16 September 1994

<sup>94</sup> The United Nations and Mozambique, op. cit., p. 51

addition, Italy, Portugal and South Africa made direct payments to RENAMO, over and above the funds paid into the trust fund, to meet certain expenses that, under United Nations regulations, would be difficult to explain to the auditors. Starting in September 1993, cash payments of US\$300,000 monthly were made directly to RENAMO, upon certification by the SRSG that RENAMO was not obstructing the peace process.<sup>95</sup>

A second trust fund, “for Assistance to Registered Political Parties in Mozambique”, was designed to support all political parties not signatories to the peace agreement in their preparations for the forthcoming elections. Each of the sixteen parties established by August 1994 received US\$50,000, with another US\$50,000 provided once they had shown that the first sum had been used for its intended purpose.<sup>96</sup> Clearly, the existence of this trust fund was an incentive for the formation of political parties, and in some instances, it appeared to have been the only one.<sup>97</sup>

A third, the “Trust Fund for Humanitarian Affairs”, gained more credibility. This, again, was strongly supported by the Government of Italy. It accumulated over US\$120 million during its existence, and the United Nations Department of Humanitarian Affairs, through its local Office for the Co-ordination of Humanitarian Affairs (UNOHAC) within the ONUMOZ structure, used these funds mainly to foster a shift from emergency relief to reintegration and rehabilitation. The bulk of the voluntary contributions made to the Mozambican peace process, however, was not channelled through the United Nations Secretariat, but rather through a mix of United Nations system agencies, including the World Bank, non-governmental agencies, and the donors’ own bilateral programs.

### **Sustaining the financing of ONUMOZ**

The financing of the peacekeeping operation itself continued to meet obstacles. The Secretary-General, in a report to the Security Council dated 2 April 1993<sup>98</sup>, gave an unusually candid picture of the situation (which may have accelerated the reform process leading to resolution 49/233):

“The formulation of the budget, given the present uncertain political situation together with the multifaceted components of the mission, proved to be a very

<sup>95</sup> Synge, *op. cit.*, page 60

<sup>96</sup> S/1994/931, 4 August 1994

<sup>97</sup> Mozambique Peace Process Bulletin, AWEPA, Amsterdam (July 1994)

<sup>98</sup> S/25518

complex task and required considerable internal consultations. Since only a relatively limited advance of US\$9.5 million was made available pending the approval of the whole budget, the purchase of most equipment, as well as the long-term leasing of aircraft and lease of office space, had to be deferred. The lack of an approved budget also prevented the timely recruitment and deployment of many key personnel.”

“In view of the delays in the timetable of the implementation of various aspects of the General Peace Agreement, the General Assembly decided to appropriate a lump sum amount of US\$140 million for ONUMOZ for the period from 15 October 1992 through 30 June 1993. Therefore, it is only now that the requisitioning for many items of equipment could start.”

The political process determined the length of each extension for ONUMOZ. The Security Council did not want to give the parties a sense that the peace process was open-ended and that funding from the international community was unconditional. The extensions were therefore each very limited, and linked to clear goals. While this made sense in light of the Security Council’s strategy to keep the pressure on, it created a continuous administrative limbo, as no commitments (such as leases or rent contracts) could be made beyond each new deadline. Staff contracts could not be extended. Leave could not be approved. Long-term planning became futile.

This uneven process also affected budgeting and funding patterns. General Assembly resolution 47/224, which covered the period through 30 June, was followed by a retroactive decision, dated 23 December 1993, to continue the funding of ONUMOZ through 31 October 1993. At that time, it was already clear that the timetable set out in the General Peace Agreement was no longer realistic, and that the elections scheduled for October 1993 had to be postponed by one year. Meanwhile, new budgets had to be prepared for each funding extension, and performance reports on actual expenditures were expected for every single authorized funding period. This became increasingly difficult as expenditures were often incurred before decisions about the next extension were firm. In that same decision of 23 December 1993, the General Assembly authorized the Secretary-General to enter into commitments not exceeding US\$20 million gross per month for the maintenance of ONUMOZ for the period from 1 November 1993 to 28 February 1994. This was a stop-gap measure, not a formal resolution, and the Secretariat could incur no actual expenditures without first getting the approval of ACABQ, based on detailed presentations. The micro-management continued unabated.

A full debate in the Fifth Committee followed, and in the spring of 1994, the General Assembly once again took up the issue of ONUMOZ’s financing, based on reports submitted by both ACABQ and the Fifth Committee. Resolution 48/

240 of 24 March 1994, which reflects the gist of this debate, does not mince words. In operative paragraph 9, the General Assembly affirmed “that it expects that it will not be asked to take any future decisions on budgets for peacekeeping operations retroactively”. It further noted the damage caused to the operation by the late payments of member states, and it stressed the need for prompt reimbursement to troop-contributing countries (non-payment being one strategy of the United Nations Secretariat to stretch scarce peacekeeping resources). With these caveats, the General Assembly released US\$161 million to formally cover the period from 1 November 1993 through 30 April 1994. Soon thereafter, in May 1994, the Security Council extended ONUMOZ’s mandate once again, until 15 November 1994, two weeks after the planned elections. The General Assembly followed suit by allocating another US\$120 million.<sup>99</sup>

### **The final phase**

The first multi-party elections in Mozambique were held on 27, 28 and 29 October 1994. With the assistance of 2,300 international electoral observers, the United Nations monitored the elections, and declared them free and fair. A Mozambican Assembly was installed on December 8, President Chissano was inaugurated on December 9, and a week later, his cabinet was appointed. The mandate of ONUMOZ had come to an end. The accomplishments of ONUMOZ had been impressive: The operation’s 4,150 troops and 322 military observers had overseen the demobilisation of 78,000 combatants, and the United Nations agencies with their NGO and bilateral partners had resettled 4.3 million refugees, displaced persons, and former combatants.

Soon after the new government had assumed office, the withdrawal of ONUMOZ began. The Security Council granted a final extension through 31 January, 1995.<sup>100</sup> The General Assembly subsequently appropriated US\$40 million “for the liquidation of the operation for the period from 16 November 1994 to 31 March 1995”.<sup>101</sup>

This by no means represented the end of the international community’s financial support to the peace process, which had now progressed to a stage of recovery and rehabilitation. As ONUMOZ closed down, the General Assembly took up the question of Mozambique’s future, and in a year-end resolution on the subject, it stressed that “a proper response to the current situation in the country requires

<sup>99</sup> Resolutions 48/240 B of 29 July 1994 and decision 49/467 of 23 December 1994.

<sup>100</sup> S/RES/957 of 15 November 1994

<sup>101</sup> A/RES/49/235 of 24 March 1995

substantial international assistance provided in a comprehensive and integrated manner and linking humanitarian assistance with economic aid for national reconstruction and development". It therefore called upon the international community to "continue to render [its] generous assistance", and extend its support, in order to "establish lasting peace and democracy and to promote an effective programme of national reconstruction and development."<sup>102</sup>

This support paid off. By the end of 2000, Mozambique had seen six years of rapid economic growth, extensive foreign investment, a revival of its agriculture and fisheries (notwithstanding the setbacks caused by a series of floods), a flourishing of its civil society, and a remarkably stable political climate.

## **5.4 The UN Special Co-ordinator in the Occupied Territories, West Bank and Gaza (UNSCO), 1994–1999**

When on 13 September 1993 Israel and the Palestine Liberation Organisation signed their Declaration on Principles of Interim Self-Government Arrangements at a dramatic ceremony hosted by the White House, a major breakthrough had been reached towards a just, lasting and comprehensive settlement of the conflict in the Middle East. This agreement had been worked out in months of secret talks mediated by Norway, and it led to the establishment of a "Palestinian Interim Self-Governing Authority" for the Palestinian people in the West Bank and the Gaza strip. Two days later, PLO Chairman Yasser Arafat visited the United Nations, and made some critical remarks to then Secretary-General Boutros-Ghali about the problems of co-ordination he had encountered in working with the various United Nations and specialized agencies in the territories. The Secretary-General assured him that the United Nations system was ready to co-ordinate the assistance provided by its various entities, and said that a special co-ordinator would be appointed to liaise with the parties concerned.<sup>103</sup>

The General Assembly supported the Declaration of Principles with the adoption of several resolutions, including resolution 48/213 of 21 December 1993, in which the Assembly requested the Secretary-General to ensure the co-ordinated work of the United Nations system for an adequate response to the needs of the Palestinian people and to mobilise financial, technical, economic and other assistance. While

<sup>102</sup> A/RES/49/21 D of 20 December 1994

<sup>103</sup> SG/SM/5088, PAL/1804

extremists on both sides tried to sabotage the negotiations, peace talks went on, co-sponsored by the United States and Russia. On 4 May 1994, Israel and the PLO embarked on a new phase in the historic peace process, by signing an agreement in Cairo that inaugurated an era of limited self-government for close to 900,000 Palestinians living in Gaza and the West Bank.

Immediately after the Cairo agreement was signed, the Secretary-General decided to appoint a “Special Co-ordinator in the Occupied Territories”, in line with his promise to Chairman Arafat. He selected a Norwegian scholar and diplomat, Terje Rød-Larsen, who had been a principle facilitator in the secret talks in Oslo, and who had a good personal rapport with the major players. On 5 April 1994, the General Assembly approved staff resources for the Office of the Co-ordinator, including one post at the Under-Secretary-General level, two professional posts and one support staff post, for a total of four posts until the end of 1995.<sup>104</sup> Soon thereafter, the Co-ordinator put in a request for an additional 29 posts, and after a thorough review the ACABQ recommended – and the General Assembly approved – that this request be granted, in the form of temporary staff, and that a total of US\$1,025,500 be appropriated for the period ending 31 December 1995 to cover staff as well as operational costs such as consultants, equipment, travel, and office space. ACABQ, however, expressed the hope that other agencies in the United Nations system would second or lend staff to the Co-ordinator, in order to strengthen his operation.<sup>105</sup>

UNSCO was inserted into an already complex web of United Nations system and bilateral agencies operating in the area. Its mandate at the time was to provide overall guidance to United Nations programs and agencies in the West Bank and Gaza, to facilitate co-ordination with the United Nations system and to work closely with the World Bank in assisting the Palestinian authority to reach an integrated and unified approach to development. It established co-ordination mechanisms to bring together the Palestinian Authority, donors, the World Bank and the United Nations, and it worked hard to shape policy and promote projects for donor consideration on the basis of its position within these co-ordinating mechanisms.<sup>106</sup>

While the financing of UNSCO did not raise major problems, and while the approval process for its establishment was remarkably swift, it had major problems to fit into the Secretariat, and even more serious problems establishing itself in the crowded field of operators competing for resources and turf in the West Bank and Gaza. Although UNSCO is in essence a political mission, the General Assembly decided to place it within the structure of the Department for Peacekeeping

<sup>104</sup> A/RES/48/228 B

<sup>105</sup> A/47/9

<sup>106</sup> A/54/6/Rev.1, Section 5C

Operations (DPKO), while the Special Co-ordinator reported directly to the Executive Office of the Secretary-General.

The Field Administration and Logistics Division (FALD) within DPKO was authorized to provide administrative support. FALD, in turn, asked the administrative staff of the United Nations Truce Supervisory Operation (UNTSO) in Jerusalem to take UNSCO under its wings. This was a far from satisfactory solution. Thus, without an administrative staff of his own, the Co-ordinator, for over a year, remained at the mercy of overburdened staff in an office that, according to several people whom we interviewed, had serious management problems of its own. In the words of the Co-ordinator, Terje Rød Larsen: “What I discovered was that each time the UN system sought to provide me with somebody, it dumped dead wood on me – getting rid of somebody who they couldn’t get rid of otherwise.....then I started recruiting directly”.

This phenomenon of a high level United Nations official in the field, nominally of the same rank as the heads of major departments, functioning with few resources and less support was not unique, as the Fafo report *Command from the Saddle* illustrates. Ultimately, the Co-ordinator gained control over his own administration and was able to recruit loyal staff, but the major problem, establishing effective co-ordination mechanisms both within the United Nations system and within the broader donor community and its local partners, proved to be even more of a challenge.

Between 1993 and 1997, the number of United Nations programs and agencies maintaining field offices in the West Bank and Gaza increased from three (UNDP, UNRWA and UNICEF) to fifteen, and another ten agencies had field programs which they managed from afar.<sup>107</sup> UNDP had traditionally had the role of “Resident Co-ordinator” of the United Nations system; UNRWA had always been the dominant United Nations presence in the area, with thousands of (mainly local) staff. The need for another co-ordinating presence was not immediately clear to them.

Within the international community, broader co-ordination structures already existed. Overall co-ordination was provided by a Multilateral Steering Group of the Multilateral Talks on Middle East Peace (MSG), co-chaired by the United States and Russia and assisted by Multilateral Working groups (WGs), which were led by donor “shepherds”. In October 1993, the MSG established an Ad Hoc Liaison Committee (AHLC) to co-ordinate social and economic assistance to the Palestinian people. The committee was chaired by Norway and had a broad membership including bilateral donors, the World Bank and the United Nations (represented by the Special Co-ordinator).

<sup>107</sup> Rex Brynen, Hisham Awartani and Clare Woodcraft, “Donor Assistance in Palestine”, *Good Intentions: Pledges of Aid for Postconflict Recovery*. Boulder, Colorado, Lynne Rienner (2000).

One year later, the AHLC in turn established a Local Aid Co-ordination Committee (LACC), co-chaired by Norway, the United Nations Special Co-ordinator, and the World Bank. In addition, the AHLC set up a Joint Liaison Committee (JLC), with the Palestinian Authority in the Chair, and Israel occasionally in attendance. The JLC eventually established a Task force on Project Implementation with the Palestinian Economic Council for Development and Reconstruction as its Chair, and UNSCO as the Secretariat. To complicate this structure, the LACC created twelve sectoral working groups, with the Palestinian Authority in the Chair, and UNSCO and the World Bank sharing the Secretariat.<sup>108</sup> While this intricate web of consultative mechanisms reflected the wishes of the partners involved, it marked a shift by the UN towards the centre of the Israeli-Palestinian political processes, on the margins of which it had languished for decades. Still, the complexity of the mechanisms – designed for maximum political participation – made it difficult for UNSCO to distinguish itself as a leader in the process. That it has succeeded to carve out a role for itself is to a large extent due to Mr. Rød-Larsen's personal diplomacy and excellent contacts with all the parties, which allowed him to work closely behind the scenes with the Israelis, the Palestinians, and the representatives of the international community.

In terms of resource mobilization, the World Bank played a central role from the beginning. Some US\$4.2 billion was pledged between 1993 and 1998 in a series of Consultative Group meetings convened by the Bank, and some US\$2.6 was actually disbursed. As an instrument for collaboration within the United Nations system, the World Bank established a special Trust Fund for economic and social development projects, the Holst Fund (named after the Norwegian diplomat who took the initiative to bring the Israelis and Palestinians together), which was the main conduit for donor money intended for United Nations system activities. To emphasise this approach, the Bank stipulated that requests for money from the Holst Fund would be considered only if they came through the United Nations Special Co-ordinator – a condition that did much to strengthen the Co-ordinator's clout.

In June 1995, the Special Co-ordinator asked the United Nations Secretariat to establish a Trust Fund, in accordance with the guidelines set out in document ST/SGB/188 in order to finance technical assistance projects aimed at increasing development in the Occupied Territories. It was understood that Norway stood ready to make a generous initial contribution to the Fund. In fact, the trust arrangements proposed by the Norwegians gave the Co-ordinator an unusual amount of discretionary power in deciding how these resources could best be utilised. The United Nations, however, was not quite ready to address the administrative complexities

<sup>108</sup> Armando Duque, Review of the Management Structure and Administrative Arrangements Related to the Office of the United Nations Special Co-ordinator in the Occupied Territories, July 1995 (internal UN document)



involved: after five months of deliberations, the Controller decided that, since UNSCO did not have its own administrative officer, it could not have approving authority over the Trust Fund, and that someone in UNTSO (the Truce Supervisory Operation) should formally handle the purse strings.<sup>109</sup> By the time this was resolved, and UNSCO had gained control, another year had gone by.

As the Co-ordinator began to fulfil all the requirements of his mandate, and as that mandate itself slowly expanded, his budget and staff grew accordingly. For the biennium 1996–1997, his core staffing table remained stable at four posts, but his funding for temporary assistance grew to nearly US\$2 million a year (paying for 33 temporary posts), and his total budget for the two year period came to US\$6.7 million.<sup>110</sup> In addition to its co-ordinating role, UNSCO had been involved in police training, and soon developed a detailed monitoring system for the social and economic sector, facilitating the donors' assessment of Palestinian needs. The Special Co-ordinator took on a major role in leading United Nations delegations to the multilateral working groups of the Middle East Peace process. By the time Mr. Rød-Larsen left UNSCO to return to his government's service in late 1996 (and Mr. Garekhan had been chosen to succeed him), a new budget request had been prepared for the biennium 1998–1999, and US\$6.6 million was appropriated.<sup>111</sup>

As the peace process gained new momentum at the end of 1999, after Mr. Arafat and Mr. Barak met in Oslo to rekindle a constructive spirit, Secretary-General Kofi Annan brought back Mr. Rød-Larsen, this time as United Nations Special Co-ordinator for the Middle East Peace Process. This new post was meant to encompass the functions held by the Special Co-ordinator in the Occupied Territories, and to add to these the role of "focal point" for United Nations assistance to the peace process in the sub-region.<sup>112</sup> A budget proposal had already been submitted to the General Assembly for the 2000–2001 biennium, seeking US\$6 million from the regular budget plus US\$1 million from extra-budgetary resources; by the time the Fifth (Budgetary) Committee was ready to review this request, the Secretary-General reported that additional requirements for this new role necessitated the appropriation of another US\$3.76 million. In addition, he asked that the item be moved from the peacekeeping budget to the budget for political affairs – a move long

<sup>109</sup> Letter from Mr. Ji Chaozu, Under-Secretary-General for Development Support and Management Services, dated 9 November 1995.

<sup>110</sup> A/50/6/Rev.1, Section 3

<sup>111</sup> A/52/6, Rev. 1, Section 3

<sup>112</sup> Ga/AB/3354 of 17 December 1999

overdue. This subsequently allowed the General Assembly to charge the additional sum to the US\$86.2 million designated for special political missions.

The Co-ordinator has found a new organisational home in the Department for Political Affairs, and it is likely that he has received assurances that the level of administrative support provided to his operations will meet his expectations. Funding for his Office remains stable, and the General Assembly has not questioned its justification nor micro-managed its use. The new flexibility created in 1999 by the establishment of a special account for political missions has immediately paid off, and the organisational lessons learned from the establishment of UNSCO in 1994 have shown their impact as the Co-ordinator goes about his task of supporting the fragile Middle East peace process.

## **5.5 The UN Mission in Bosnia and Herzegovina (UNMIBH), 1995-to date**

After long and difficult negotiations to end the war in Bosnia and Herzegovina, the three main parties — Representatives of the Bosnians, Serbs<sup>113</sup>, and Croats — signed the Dayton Agreements. The provisions of the Dayton Peace Agreements included a request to the United Nations to set up a International Police Task Force (IPTF) in Bosnia Herzegovina. After the Security Council had examined the assessment prepared by a reconnaissance mission,<sup>114</sup> the IPTF was established by the Security Council on 21 December 1995 by its resolution 1035 (1995). It required a total of 1,721 police monitors, 254 international staff, and 811 locally recruited staff.<sup>115</sup> To co-ordinate United Nations activities, the Secretary-General appointed Mr. Iqbal Riza (Pakistan) as his Special Representative and Co-ordinator of United Nations Operations in Bosnia and Herzegovina. Mr. Peter FitzGerald (Ireland) was appointed IPTF Commissioner reporting to the Co-ordinator. IPTF and the civilian office subsequently became known as the United Nations Mission in Bosnia and Herzegovina (The Blue Helmets, 1996: 491).<sup>116</sup>

<sup>113</sup> The Federal Republic of Yugoslavia represented the Bosnian Serbs.

<sup>114</sup> See S/1995/1031, paras. 19–30)

<sup>115</sup> “On the basis of a ration of 1 monitor to 30 local police officers and taking into account the need to monitor parts of the judicial and prison systems, the recommended civilian police structure, including supervisory personnel at all locations” (The Blue Helmets, 1996: 560)

<sup>116</sup> In this way, UNMIBH succeeded (parts of) the United Nations Protection Force (UNPROFOR), that was being phased out.

UNMIBH worked in tandem with the multinational military Implementation Force (IFOR). Both NATO member states and non-NATO states contributed ground, air, and maritime units. The World Bank, the European Commission, the Organisation for Security and Co-operation in Europe (OSCE), and other UN organisations took up related rehabilitation and rebuilding tasks. UNMIBH and IFOR shared office premises as much as possible.

UNMIBH operated under the financing guidelines of Resolution 49/233 and it can be seen as one of the first test cases for the functioning of this Resolution. In General Assembly decision 50/481 an amount of US\$14 million was appropriated as bridging financing for the start-up costs of UNMIBH, pending approval of the full-scale budget. The new start-up procedure functioned relatively smoothly, according to staff interviewed.

In the meantime, the Secretariat, in particular the Mission and the Peacekeeping Financing Department, were putting together a budget to be in line with the new yearly peacekeeping cycle, which was issued as *A/50/696/Add.4*. This report jointly presented information on the missions in former Yugoslavia. It provided the budgets for the pre-liquidation of the United Nations Peace Forces (UNPF), the start-up and maintenance requirements for UNMIBH, the United Nations Mission of Observers in Prevlaka (UNMOP), the United Nations Transitional Administration for Eastern Slavonia, Baranja, and Western Sirmium (UNTAES), and the United Nations Preventive Deployment Force (UNPREDEP) in Macedonia for the period of 1 January to 30 June 1996, as well as preliminary information on the disposition of UNPF assets.

In line with Resolution 49/233, *A/50/696/Add.4* described the political mandates, operational plans and requirements for each mission. It recommended the establishment of special accounts for UNMIBH and the other missions and provided information on the status of assessed contributions and on voluntary contributions. UNMIBH was funded through assessments under the peacekeeping scale. In a set of annexes, the report delineated the cost estimates; about 18 per cent was based on standard ratios and costs, while the remaining 82 per cent covered mission-specific requirements. It also provided the current and recurrent cost estimates of UNMIBH. These estimates were accompanied by a written text that provided supplemental information. In addition, the staffing table provided information on the deployment of civilian personnel on a month-by-month basis. Another annex provided job descriptions. Finally, the budget document showed the organigram of UNMIBH, which gave an overview of its command and control structure.

The ACABQ responded in *A/50/903* and *A/50/903/Add.1* and suggested, against the proposed budget of US\$52.7 million, a US\$7.5 million reduction in staffing posts and a US\$1.4 million reduction in other cost estimates – e.g., equipment and premises  $\frac{3}{4}$  because fewer observer teams would be deployed to a smaller

number of localities. Slow implementation made this reduction possible.<sup>117</sup> On the report of the Fifth Committee, the General Assembly adopted Resolution 50/241, which apportioned an additional US\$29.8 million for the period from 1 January to 30 June 1996, taking into account the earlier approved US\$14 million start-up costs. Moreover, the General Assembly decided to appropriate US\$75.6 million for the second half of 1996. In line with resolution 49/233, these half-yearly approvals reflected the unstable character of Bosnia and Herzegovina at the time. Operations like UNIFIL in Lebanon were more stable and required only one budget approval a year.

On March 25, 1996, the Secretariat established a Trust Fund for the police assistance program, which supported the mandate of UNMIBH to train and assist the local police and law enforcement institutions. This Trust Fund was also used to buy equipment and refurbish local police stations. UNMIBH already had inherited the “Trust Fund for the Restoration of Essential Public Services for Sarajevo” from UNPROFOR. This Trust Fund had been established by S/RES/900 in 1994 and thus continued functioning under the UNMIBH umbrella.

In March 1996, the Secretary-General submitted a report on Financing of the United Nations Mission in Bosnia and Herzegovina, which contained the budget for the period from 1 July 1996 to 30 June 1997.<sup>118</sup> An updated report of 17 October 1996 revised the budget estimates for this period slightly downward.<sup>119</sup> The ACABQ review in November suggested that the downward revision could be taken further.<sup>120</sup> After the Fifth Committee, the General Assembly appropriated an amount in between the Secretariat and ACABQ estimates.<sup>121</sup> On 12 December 1996, the Security Council discussed the progress with the peace process and rebuilding. In Resolution S/RES/1088 the mandate of UNMIBH was extended for an additional period terminating on 21 December 1997. The Council also wanted the Secretary-General to submit a report on the ITPF by June of 1997.<sup>122</sup>

<sup>117</sup> This happens regularly in peacekeeping operations.

<sup>118</sup> A/50/906

<sup>119</sup> A/51/519

<sup>120</sup> A/51/681

<sup>121</sup> A/RES/51/152

<sup>122</sup> This resolution was taken at a relatively early moment, which facilitated the budgeting process. Sometimes the Security Council takes decisions at the last minute before an extension is due, which makes the budgeting process more difficult.

The mission went through several changes in response to the local circumstances. In March 1997, UNMIBH was expanded with 186 police and 11 civilian personnel to strengthen monitoring in the Brcko area. In May, UNMIBH was expanded with 120 police personnel to do Human Rights Monitoring. On 19 December 1997, the mandate of UNMIBH was extended for an additional six months, which terminated on 21 June 1998.<sup>123</sup>

In May 1998, the Security Council acknowledged on the basis of a report by the Secretary-General that success in the area of police reform was closely linked to complementary judicial reform. The police could also help with judicial reform by promoting a better understanding of the legal system. In response, the Council authorized “an increase in the strength of the IPTF by 30 posts, to a total of 2,057”.<sup>124</sup> In June 1998, the Security Council decided on an extension of UNMIBH until 21 June 1999, which was in line with the extension of SFOR.<sup>125</sup> One month later, the Council approved a program to monitor and assess the court system in Bosnia and Herzegovina as part of the overall legal reform.<sup>126</sup>

The expansions of the mandate and other changes were reflected in addenda to A/51/519. The ACABQ analysed these addenda, introduced reductions and sent its recommendation for approval to the Fifth Committee. The General Assembly adopted the changes in A/RES/51/152B. A request for the final expansion with 120 police staff came too late for ACABQ’s review, but this could be absorbed in the current budget, because there were high vacancy rates, mostly for international civilian personnel. As a result, a General Assembly Resolution enabling additional appropriations was not necessary; resources were plentiful enough. Instead, the Fifth Committee approved the proposed changes in a decision. For the staff members preparing the financial reports on UNMIBH, 1997 was a hectic year.

After this period, the financial reporting process for UNMIBH settled down with yearly budgets, performance reports, and General Assembly appropriations.<sup>127</sup> This stable process continued well into 1999, when the Secretary-General, in a report dated 19 January 1999, set out his budget for the next phase: 1 July 1999 until 30 June 2000. This amounted to US\$158,196,000 net, with the largest amount going

<sup>123</sup> S/RES/1144

<sup>124</sup> S/RES/1168

<sup>125</sup> S/RES/1174

<sup>126</sup> S/RES/1184

<sup>127</sup> A/52/786; A/53/800; A/52/708; A/53/764; A/RES/ 52/243

to fund the presence of 2,057 civilian police.<sup>128</sup> Parallel trust funds for the Restoration of Essential Public Services in Sarajevo and for the Police Assistance Programme in Bosnia and Herzegovina added another US\$30 million to the available resources. Just in the nick of time, on 18 June 1999, the Security Council extended UNMIBH's mandate until 21 June 2000, and on 9 July 1999, as the previous budget authority was about to expire, the General Assembly appropriated the full sum requested.<sup>129</sup> This meant that employment contract extensions for the next twelve months could barely be processed in time — but at least there was no major financing hiatus. In fact, over US\$25 million of this money was never spent, as civilian staffing levels never met their target. Some staff were siphoned off to join the missions in Kosovo and East Timor, and delays in recruitment accounted for the remaining gap.<sup>130</sup>

The Security Council again extended UNMIBH's mandate by one year on 21 June 2000, and on 21 July the General Assembly followed suit by appropriating US\$149,375,001 for the period until 21 June 2001.<sup>131</sup> As early as January 2001, the Secretariat had its budget ready for the period from 1 July 2001 to 30 June 2002, and ACABQ submitted its comments to the Fifth Committee in April 2001, allowing ample time for the final review and approval process in the General Assembly. “Just-in-time” management had made way for timely long-term planning. Progress was made not only in administrative terms: the achievements realised by UNMIBH, especially through its International Police Task Force, were measurable as the country continued to professionalize its law enforcement capacity.

It seems that the reforms initiated through General Assembly resolution 49/233 have indeed found their way into the system, and that they have enabled the Secretariat to manage and account for its work in a more rational and cost-effective manner. This, in turn, has affected the mission's ability to meet its mandate.

## **5.6 The Five New Missions of 1999–2000: From peacekeeping to peace-building**

For a few years after the start-up of the United Nations Mission in Bosnia and Herzegovina, it appeared that the heady days of rapid mission proliferation had come to an end, and that DPKO would be allowed to focus on the management and

<sup>128</sup> A/53/800

<sup>129</sup> SC Resolution 1247 (1999); A/RES/53/233

<sup>130</sup> A/55/683, para. 7

support of its existing field operations, including such venerable relics as UNTSO in the Middle East (1948), UNMOGIP on the border between India and Pakistan (1949), and UNFICYP, the mission in Cyprus (1964).

The, in 1999, several crises erupted simultaneously, all requiring United Nations presence on the ground, including a military component. In Africa, the crisis in the Great Lakes continued to spread, festering conflicts escalated, and within a twelve-month period, the Security Council mounted operations in the Democratic Republic of Congo, in Sierra Leone, and on the Ethiopian/Eritrean border. In the Balkans, NATO's intervention in support of Kosovo's ethnic Albanian population saw the United Nations assume leadership in the transition from conflict; meanwhile, in Asia, the violent aftermath of the decision by the people of East Timor to separate from Indonesia left behind a country stripped of all its assets, and requiring United Nations involvement in administering the transition and reconstruction.

In this annex, we will provide a short overview of the extent to which the 1994 procedural reforms in mission financing facilitated the start-up of these missions, and we will examine how the multi-disciplinary nature of some of these interventions strains the classical "peacekeeping" framework for mission financing.

With the exception of the mission in Ethiopia and Eritrea, which follows the military model first introduced under Dag Hammarskjöld, all the recent missions require full integration of civil and military activities, and most of them, while still including a military component, focus mainly on post-conflict recovery. This transformation in the very nature of the classical peacekeeping model, involving a multidimensional peace-building operation with a broad array of partners, requires an equally fundamental re-examination of the Security Council's scope of authority when it comes to its role under chapter VII of the United Nations charter. Ideally, as argued in the body of this report, it should have the power to authorize the entire recovery programme for countries emerging from conflict as an assessed cost to member states: an integrated approach to peacekeeping should be part and parcel of their membership privileges, rather than dependent upon voluntary contributions.

### **Kosovo (UNMIK), June 1999 to date**

On 10 June 1999, the Security Council authorized the Secretary-General to establish in Kosovo an interim international civilian administration under which the people of that war-ravaged province could enjoy substantial autonomy.<sup>132</sup> This resolution came only days after NATO suspended its air operations following the

<sup>131</sup> SC Resolution 1305 (2000); A/RES/54/273

<sup>132</sup> Security Council Resolution 1244 (1999)

withdrawal of security forces of the Federal Republic of Yugoslavia from Kosovo. Two days later, the Secretary-General presented to the Council an operational concept for the mission, followed on July 12 by a comprehensive framework for the operation, which was to be known as the United Nations Interim Administration in Kosovo (UNMIK).

The Security Council vested in the United Nations full authority over the territory and its people, including all legislative and executive powers, as well as the administration of the judiciary. The United Nations was in fact given the task of restoring a semblance of normal life to the province. To this end, the United Nations undertook to promote self-government in the province, perform basic administrative functions, facilitate a political process to determine Kosovo's future, provide humanitarian relief, support the reconstruction of the province's infrastructure, maintain law and order, promote human rights, and ensure the safe return of all refugees and internally displaced persons to their homes in Kosovo.

The United Nations mission is part of a massive international effort and, as Chief of the mission, UNMIK's Special Representative of the Secretary-General presides over the work of four international organisations involved with implementing four civilian aspects of rehabilitating and reforming Kosovo.<sup>133</sup> These four areas of work are:

- Humanitarian assistance, led by the Office of the UN High Commissioner for Refugees (UNHCR)
- Civil administration, under the United Nations itself
- Democratization and institution-building, led by the Organisation for Security and Co-operation in Europe (OSCE);
- Reconstruction and economic development, managed by the European Union.

The first area of work, humanitarian assistance, was phased out in June 2000, but the rest of this structure has remained intact. This implies that UNMIK has a mandate that deviates considerably from the traditional peacekeeping model; the most relevant precedent in terms of scope is probably the United Nations Transitional Authority in Cambodia (see annex). Developing a budget for UNMIK therefore posed quite a challenge for the Secretariat, and in August 1999 the General Assembly authorized an amount of US\$200 million (including US\$50 million already released by ACABQ), while expressing its deep "regrets that the report of the Secretary-General does not contain adequate and precise information to substantiate fully

<sup>133</sup> [www.un.org/peace/kosovo/pages](http://www.un.org/peace/kosovo/pages)



the request submitted".<sup>134</sup> A more satisfactory budget was submitted by the end of 1999, and in February 2000 the General Assembly finally approved an amount of US\$427 million for UNMIK's first year of operations (including the US\$200 million already advanced).<sup>135</sup>

In October 2000, the Secretariat belatedly presented its second budget for UNMIK, covering the period from 1 July 2000 to 30 June 2001.<sup>136</sup> UNMIK's Civil Administration had grown to a full-fledged bureaucracy, comprising five regional offices and fifteen departments and providing administrative services at the regional as well as the municipal levels. The staffing tables of UNMIK resemble those of the government of a mid-sized country, representing expertise in such areas as postal administration, agriculture, environmental protection and sports. The administration of justice and the development of local police capacity take up a large part of the mission's staffing, which absorbs 71 per cent of the mission's budget (1148 international and 3282 national staff). A Trust Fund to support UNMIK provides the resources required over and above the provisions of the regular budget, and, given the co-responsibility of the European partners, the cost of the activities beyond civil administration are fully born by the partner agencies – amounting to a sum far larger than the UN contribution.

This model of regional burden-sharing has much to offer in a context where the region has such solid resources as the Europeans do; unfortunately, it is not universally applicable. Yet, the potential for increased regional partnerships in the United Nations' peace operations has also been mentioned in connection with operations in the developing world – a real possibility if the international community is willing to invest in regional capacity building (as it is now doing, on a limited scale, in training ECOWAS troops).

On 18 January 2001, the General Assembly, also belatedly, appropriated US\$422 million net to finance UNMIK from 1 July 2000 until 30 June 2001; since it had already advanced US\$220 million to tide the mission over until the end of 2000, the delayed approval had no operational consequences.<sup>137</sup> As the Secretariat caught up with its budget formulation process (having suddenly had to plan and program five missions nearly simultaneously), the next budget for UNMIK also appeared in a more timely fashion: in March 2001, the Secretariat asked for US\$448 million for the period from 1 July 2001 through June 30, 2002. No additional voluntary

<sup>134</sup> A/RES/53/241 of 19 August 1999, para. 5

<sup>135</sup> A/54/494 (budget); A/RES/54/245

<sup>136</sup> A/55/477 of 12 October 2000

<sup>137</sup> A/RES/55/227

funding had been received, and of the US\$34 million in the Trust Fund, US\$25 million had been spent.<sup>138</sup> At the same time, the European Union, the US and Japan were expected to contribute DM 1.4 billion (some US\$650 million) towards the capital budget for 2001, funding the consolidated efforts to rebuild Kosovo's economy. Whatever its political problems might be, in financial terms, by the middle of 2001, the UNMIK mission seemed to be in good shape.

### **Sierra Leone (UNAMSIL), October 1999 to date**

The conflict in Sierra Leone dates back to early 1991, when fighters of the Revolutionary United Front (RUF) launched a war from the east of the country (near the border with Liberia) to overthrow the government. With support of the Military Observer Group (ECOMOG) of the Economic Community of West African States, Sierra Leone's army at first tried to defend the government, but the following year, the army itself overthrew the government. The United Nations, the Organisation of African Unity (OAU) and ECOWAS all worked to negotiate a settlement to the conflict and return the country to civilian rule.

Parliamentary and presidential elections were held in February 1996, and the army relinquished power to the winner, Tejan Kabbah. The RUF, however, did not participate and did not recognise the results. A first peace agreement was derailed by yet another military coup, President Kabah went into exile, and once again the United Nations and ECOWAS intervened. The Security Council imposed an oil and arms embargo, and gave ECOWAS permission to send in the ECOMOG troops. Cease-fires came and went, until ECOMOG launched an all-out attack and pushed the junta of rebel and army forces out of Freetown, the capital. This led to the establishment of a United Nations Observer Mission in Sierra Leone (UNOMSIL). Notwithstanding its efforts to demobilise the combatants, hostilities increased, and UNOMSIL was forced to evacuate. West African states stepped up their diplomatic efforts, together with the Secretary-General's Special Representative, Francis Okelo, and on 7 July 1999 all the parties signed an agreement in Lome to end hostilities and form a government of national unity.<sup>139</sup>

Encouraged by these developments, representatives of the international community met in London, and pledged financial, logistical and humanitarian support for the peace process, and in particular for ECOWAS. Shortly thereafter, in September 1999, the Secretary-General put a proposal before the Security Council to expand UNOMSIL from an observer mission into a full-fledged peacekeeping operation,

<sup>138</sup> A/55/833 of 12 March 2001

<sup>139</sup> [www.un.org/depts/dpko/unamsil](http://www.un.org/depts/dpko/unamsil)

in order to support implementation of the Lome agreement. Most of the military tasks would be carried out by ECOMOG, while the United Nations force would focus on the demobilisation and reintegration of former combatants, and try “to create the conditions of confidence and stability required for the smooth implementation of the peace process.”<sup>140</sup>

As in Kosovo, the design for this mission aimed at a collaborative model, with non-UN military forces in a key role, and with active participation of the international community in co-ordination with, but not subordinate to, the United Nations presence. On 22 October, the Security Council authorized the establishment of the United Nations Mission in Sierra Leone (UNAMSIL), a new and much larger mission with a maximum of 6,000 military personnel.<sup>141</sup> As the political and military situation deteriorated, and after some humiliating setbacks, the Security Council, on 7 February 2000, decided to expand the military component of UNAMSIL to 11,100 personnel, and increased the staffing of the civil affairs, civilian police, administrative and technical elements of the mission.<sup>142</sup> On 19 May 2000, the military component was increased to 13,000. Less than a year later, on 30 March 2001, the Security Council again decided to increase the military component of the mission, this time to 17,500 personnel.<sup>143</sup> The mandate of the mission was broadened once more, and at the time had as its objective “to assist the efforts of the Government of Sierra Leone to extend its authority progressively throughout the entire country, and to assist in the promotion of a political process which should lead to a renewed disarmament, demobilisation and reintegration programme and the holding, in due course, of free and fair elections.”

These rapid changes in the scope and mandate of the mission played havoc with the budget process. The initial budget for the financial period 2000/01 was presented to the General Assembly on 3 April 2000, and it already reflected the then recent increase to 11,100 military personnel, as well as 630 civilians, 260 military observers, and 60 civilian police advisers. Before the General Assembly could consider this budget, the maximum scope of the mission had once again grown, this time to a military force of 13,000, making the budget obsolete as presented. Since the mission kept receiving advances within the overall ceiling of US\$200 million, its operations were not affected, and on 15 June 2000, the General Assembly finally

<sup>140</sup> S/1999/1003 of 23 September 1999, para. 41

<sup>141</sup> S/RES/1270 (1999)

<sup>142</sup> S/RES/1289 (2000)

<sup>143</sup> S/RES/1299 (2000); S/RES/1346 (2001)

appropriated US\$497 million net to cover UNAMSIL until the end of June 2001.<sup>144</sup> In February 2001, as the Secretariat was catching up after a sudden surge in operational activities, it presented a revised budget for 2000/01, reflecting subsequent troop increases, and requiring an additional US\$85 million.<sup>145</sup>

In many ways the mission meets the traditional pattern of peacekeeping design, rather than the multi-disciplinary model emerging in East Timor or Kosovo. While there is considerable involvement of the development and humanitarian agencies in Sierra Leone, as well as a very active presence of human rights advocates, they work outside of the immediate UNAMSIL framework (which has only a small human rights office). The mission does have a Deputy Special Representative of the Secretary-General at a senior level (Assistant Secretary-General) who is responsible for co-ordination of the mission's activities in the economic, social and governance fields with the United Nations agencies, donors, international financial institutions and various international stakeholders. Although the design of the mission lacks key dimensions, these are at least acknowledged conceptually through the provision of the ASG to co-ordinate with the other agencies involved in these areas.

What will happen to these co-ordinating functions once the mission closes down? The Brahimi Panel recommended that the UN Resident Co-ordinator, representing the continuity of the UN system's presence, should be designated as Deputy SRSG – ensuring that the responsibilities for reconstruction and recovery would be sustainable from the start. As long as the political situation in Sierra Leone remains so fragile, this may be a moot point. At least the financing of the peacekeeping operation is on an even keel.

### **East Timor (UNTAET), October 1999 to date**

The United Nations General Assembly first placed East Timor on the international agenda in 1960, when it added the Portuguese colony to its list of non-self-governing territories. Fourteen years later, in 1974, Portugal sought to establish a provisional government and a popular assembly that would determine the status of East Timor. Civil war broke out between those who favoured independence and those who advocated integration with Indonesia. Unable to control the situation, Portugal withdrew. Indonesia then intervened militarily and later annexed East Timor as its 27<sup>th</sup> province. Popular resistance continued and the United Nations never recognised this integration.

<sup>144</sup> A/RES/54/241 B

<sup>145</sup> A/55/805

In June 1998, Indonesia proposed limited autonomy for East Timor within Indonesia. In light of this proposal, Indonesia and Portugal rapidly reached agreement to invite the United Nations Secretary-General to conduct a “popular consultation” in order to ascertain whether the East Timorese people accepted or rejected a special autonomy under Indonesian sovereignty. To carry out these consultations, the Security Council established the United Nations Mission in East Timor (UNAMET) on 11 June 1999. After 78.5 per cent of the registered voters opted for independence, pro-integration militias and Indonesian security forces initiated a regime of terror, looting and torching the entire territory. Despite clear commitments to the contrary, the Indonesian authorities did not intervene. Many East Timorese were killed, and as many as 500,000 were displaced.<sup>146</sup>

As a result of strenuous diplomatic efforts, the Government of Indonesia accepted an offer of assistance from the international community. A multinational force (INTERFET), led by Australia, entered East Timor to restore peace, and a large scale humanitarian relief operation was launched. To finance this effort, the United Nations orchestrated a Consolidated Inter-Agency Appeal for US\$199 million. Indonesia finally agreed to transfer authority in East Timor to the United Nations, and on 25 October 1999 the Security Council established the United Nations Transitional Administration in East Timor (UNTAET).<sup>147</sup>

UNTAET has turned out to be the multidimensional peace operation *par excellence*. Its mandate represents nothing less than a comprehensive blueprint for state-building: to provide security and maintain law and order throughout the territory of East Timor; establish an effective administration; assist in the development of civil and social services; ensure the co-ordination and delivery of humanitarian assistance; support capacity-building for self-government; and assist in the establishment of conditions for sustainable development.

This multidimensional character of the mission is fully reflected in its budget. When UNAMET was established, the General Assembly had rapidly appropriated US\$52 million gross; at the start of UNTAET, ACABQ had released US\$50 million, and on 23 December 1999, the General Assembly decided to apportion an advance of up to US\$200 million, in accordance with the flexible arrangements set out in its resolution 49/249. By April, a first budget had been reviewed by ACABQ and the Fifth Committee, covering the period from 1 December 1999 to 30 June 2000 (again adjusting to the special budget cycle established for all peacekeeping missions), and a sum of US\$341 million net was appropriated, including the

<sup>146</sup> [www.un.org/peace/etimor](http://www.un.org/peace/etimor)

<sup>147</sup> S/RES/1272 (1999)

advances released earlier.<sup>148</sup> At the same time, in order to close the accounts, an additional US\$23 million was appropriated to cover the last phase of UNAMET.<sup>149</sup>

In July 2000, liquidity problems began to affect the mission. The General Assembly noted that only 2 per cent of the Member States had paid their assessed contributions to the peacekeeping account in full, and that some 63 per cent of the funds required to keep UNTAET functioning were outstanding, a total of US\$217.2 million. The Assembly emphasised that “no peacekeeping mission shall be financed by borrowing funds from other active peacekeeping missions.”<sup>150</sup> In June 2000, there was a tentative budget for the period from 1 July 2000 to 30 June 2001, requesting US\$567 million net, but given some reservations expressed by ACABQ, consideration was deferred, and the General Assembly advanced US\$200 million gross.<sup>151</sup>

In June 2000, the United Nations organized a donors’ conference in Lisbon, where it presented a consolidated budget for the aid programme for East Timor, identifying the amounts sought from the donor community for parallel funding with UNTAET. It was expected that East Timor would generate some revenues, mainly from taxes, increasing from US\$17 million in 2000/01 to US\$40 million by 2002/03. The required amounts from voluntary contributions could therefore go down from US\$42 million for 2000/01 to US\$17 million for 2002/03.<sup>152</sup> The World Bank signed a grant agreement for \$21.5 million over two-and-a-half years for community empowerment and local government projects; an additional US\$12.7 million grant from the World Bank was designated for the health sector. The donor community, at the Lisbon meeting, pledged to close the financial gap of US\$16 million for the financial year 2000/01.

In a report to the General Assembly dated 26 September 2000, the Secretary-General gave a detailed account of the humanitarian relief, development assistance and support for rehabilitation being programmed and implemented for East Timor. It described a vast, integrated effort of the UN system organisations, under the leadership of the United Nations Development Co-ordinator, with full participation of the International Organisation of Migration (IOM) as well as a wide array of NGOs.

<sup>148</sup> A/54/769; A/RES/54/246 B

<sup>149</sup> A/RES/54/20 B of 25 April 2000

<sup>150</sup> A/RES/54/246 C of 21 July 2000

<sup>151</sup> A/54/246 C

<sup>152</sup> A/55/531, Report of ACABQ

As of June 2000, an estimated US\$33.7 million was available through United Nations agency funding or commitments already made by donors.<sup>153</sup>

At about the same time, on 3 October 2000, the Secretariat submitted its revised budget for the 12-month period from 1 July 2000 until 30 June 2001. It anticipated the deployment of 8,950 military personnel, 200 observers, 1610 police, 1185 international staff, 486 UN volunteers, and 1905 locally recruited personnel, intended to carry out the entire gamut of quasi-governmental functions foreseen in UNAET's mandate. In addition, the budget reflected a trust fund contribution "for the multinational force", indicating that part of the military component of the mission was funded from voluntary sources, an unusual arrangement referred to in the General Assembly's resolutions as "a different procedure". This budget was approved by the General Assembly on 18 January 2001, and an amount of US\$546 million net was appropriated.

By the middle of 2001, UNTAET had made major progress towards its ambitious and demanding goals, thanks to the carefully planned integration of peace-keeping and peace-building activities, linked to equally calibrated co-financing and parallel financing arrangements.

### **Democratic Republic of the Congo (MONUC), December 1999 to date**

On 10 July 1999, in Lusaka, Zambia, the Democratic Republic of Congo (DRC), along with Angola, Namibia, Rwanda, Uganda and Zimbabwe signed a cease-fire agreement for a cessation of hostilities between all belligerent forces in the DRC. The Movement for the Liberation of Congo, one of two Congolese rebel groups, signed the agreement on 1 August. The agreement included provisions on the normalisation of the situation along the DRC border; the control of illicit trafficking of arms and the infiltration of armed groups; the holding of a national dialogue; measures to address security concerns; and a mechanism for the disarmament of militias and irregular armies. The Organisation of African Unity (OAU) was to chair a joint military commission of all the parties, and the United Nations was to constitute an "appropriate force" to oversee the implementation of the agreement.<sup>154</sup>

On 6 August 1999, the Security Council authorized the deployment of up to 90 military observers to the capitals of the signatory states.<sup>155</sup> In early November, the Secretary-General sought authority to deploy up to 500 military observers for

<sup>153</sup> A/55/418

<sup>154</sup> [www.un.org/depts/dpko/monuc](http://www.un.org/depts/dpko/monuc)

<sup>155</sup> S/RES/1258 (1999)

the period until 15 January 2000, and to formally establish a United Nations Organisation Mission in the Democratic Republic of Congo (MONUC). This request was granted.<sup>156</sup> In doing so, the Security Council asked the Secretary-General to accelerate the development of a concept of operations based on assessed conditions of security, access and freedom of movement, and co-operation on the part of the signatories to the agreement.

On 24 February 2000, the Security Council decided to extend the mandate of MONUC until 31 August 2000, and it authorized the expansion of the mission to a maximum of 5,537 military personnel, including up to 500 observers. This military presence was to be augmented by a civilian component providing support in the areas of human rights, humanitarian affairs, public information, child protection (a standard item since its introduction in the Sierra Leone mission), political affairs, medical care and administration.<sup>157</sup>

Given the scope of the conflict in the DRC, even this expanded design was only a minimalist response. The military situation was tense, and the humanitarian crisis was overwhelming. Some 2 million people were internally displaced, and close to 350,000 Congolese had fled into neighbouring Tanzania, Zambia and the Republic of Congo (Brazzaville). The number of people in critical need of food was estimated at 16 million. A mortality study released by the International Rescue Committee found that since the outbreak of the fighting in August 1998, some 2.5 million deaths had occurred in the civilian population of the area in excess of the number that could have been expected without the war; 350,000 of these were due to violence, the remainder to malnutrition and disease.<sup>158</sup>

The financing of MONUC took a somewhat convoluted course. Preparing a long-term budget for what is in fact a rapidly moving target is something of an anomaly in operational terms, where the utmost flexibility is required. The ACABQ, in a report dated 15 May 2001, noted that “because of circumstances related to the United Nations involvement in the DRC, as outlined in a number of reports of the Secretary-General to the Security Council and to the General Assembly, there has not been until now a formal budget for the period ending 30 June 2001. However, in the view of the Committee, the current report submitted to the General Assembly at its fifty-fifth session does not qualify as a proper budget document”.<sup>159</sup>

<sup>156</sup> S/RES/1273 (1999) of 5 November, and S/RES/1279 (1999) of 30 November.

<sup>157</sup> S/RES/1291 (2000)

<sup>158</sup> S/2001/572 of 8 June 2001

<sup>159</sup> A/55/941, para. 7



In the absence of a budget, however, resources kept coming. In November and December 1999, ACABQ advanced some US\$40 million, and in April 2000, the General Assembly appropriated US\$200 million.<sup>160</sup> Then, as it became clear that far less than that had been spent, the General Assembly in June decided to reduce the commitment authority for the mission to US\$58 million for the period until 30 June 2000. At the same time, the Assembly authorized an expenditure of US\$141 million for the subsequent year, ending on 30 June 2001.

Meanwhile, the international community was gearing up to do its part. The European Union, the principal donor to the DRC, contributed Euro 35 million as emergency humanitarian assistance in 2000. In early 2001, the US Government donated US\$10 million for emergency assistance. WFP planned to provide US\$112 million in food aid during the biennium 2001/02. UNDP committed US\$4.6 million for post-conflict recovery. UNICEF and WHO pledged considerable assistance in kind.

In May 2001, a dozen permanent representatives of countries on the Security Council visited the Great Lakes region, and met with all leaders of the region, as well as with members of civil society, religious leaders and politicians. In a report to the Security Council, the members of the mission described the intricate web of political entanglements that connected the various conflicts in the region, and they mapped out the outlines of a peace process to implement the Lusaka agreement. While most of the obstacles to a resolution of the conflicts in the Great Lakes were political, the ambassadors recognised the tremendous importance of an economic and social recovery programme as part of the peace-building strategy. “The Security Council mission considers it indispensable for the return to peace to be accompanied by an increase in economic activity, which the international community should mobilize to assist. The mission drew attention to the list of quick-impact projects that could be implemented where MONUC was employed, and encouraged the international community and the international financial institutions to follow up with assistance.”<sup>161</sup> The need to develop MONUC into yet another multidimensional peace-building mission with broad participation could not have been stated more clearly.

### **Ethiopia and Eritrea (UNMEE), July 2000 to date**

Fighting between Ethiopia and Eritrea erupted in May 1998, as a result of a border dispute. The United Nations and the Organisation of African Unity (OAU) immediately tried to bring the parties together, and in July 1999, at the OAU summit in Algiers, an agreement was signed. Implementation remained elusive however, and

<sup>160</sup> A/RES/54/260 A

<sup>161</sup> S/2001/521 of 29 May 2001

in May 2000, a special mission of the Security Council visited the capitals of the feuding neighbours to find a peaceful solution. Despite these efforts, fighting erupted once more a few days after the mission's departure. By that time, some 8 million people were facing severe food shortages, as the impact of the conflict was exacerbated by drought. The Security Council imposed sanctions on both belligerents, and stepped up the pressure for a negotiated settlement.<sup>162</sup> As the fighting claimed tens of thousands of victims on both sides, and as large numbers of civilians fled the area, the humanitarian challenge became critical. The OAU, however, persisted, and on 30 May 2000, the parties signed an agreement on cessation of hostilities.

In a report dated 30 June 2000, the Secretary-General informed the Security Council that he intended to deploy a total of 200 military observers to the region, pending the establishment of a United Nations peacekeeping operation.<sup>163</sup> The United Nations Mission in Ethiopia and Eritrea (UNMEE) was established the next day, with the tasks of establishing the mechanism for verifying the cessation of hostilities and assisting in planning a future peacekeeping operation.

Reporting to the Security Council on 9 August, the Secretary-General outlined the mandate of the expanded UNMEE and recommended a total of 4,200 military personnel, including 220 military observers, three infantry battalions and the necessary support units, under the overall authority of a Special Representative. The Security Council approved this proposal on 15 September 2000, with authority extending until 15 March 2001.<sup>164</sup> Meanwhile, peace negotiations continued, leading to a comprehensive peace agreement signed on 12 December 2000.

In terms of financing, the mission initially received US\$50 million as start-up funding from ACABQ, and on 4 December 2000, the Secretary-General submitted a detailed budget for the period from 31 July 2000 to 30 June 2001, amounting to US\$196 million net. This budget was based on the deployment of 4,200 military personnel, as originally planned. For the first time in many years, the military planners in the Secretariat were able to design a traditional peacekeeping mission, monitoring the borders between two distinct states, and supervising the withdrawal of two disciplined armies – a far cry from the messy intra-state conflicts that characterized all other operations. The only innovative element in the budget was a sum of US\$700,000 for quick impact projects, “pursuant to the recommendation contained in the report of the Panel on United Nations Peace Operations”. No voluntary contributions were sought, no economic or social development programmes needed to be integrated. Nevertheless, ACABQ did not consider the proposal cut

<sup>162</sup> S/RES/1298 (2000) of 17 May

<sup>163</sup> S/2000/643

<sup>164</sup> S/RES/1320 (2000)

and dried, and it raised the question to what extent some of the existing UN system offices in the region could take on tasks foreseen under the peacekeeping budget. ACABQ also queried the presence in the budget of an Office for Human Rights even though the Secretary-General had not proposed to include this in the plan of operations approved by the Security Council.

In the interim, the General Assembly decided to approve a lump sum of US\$150 million for the year ending June 30, 2001.<sup>165</sup> After the Security Council extended the duration of the mission by another six months, until 15 September 2001, the General Assembly added another US\$30 million to the existing authorization. It is interesting to note how the decision taken under resolution 49/233 to prepare all mission budgets on an annual basis, with a budgetary year running from July through June, has led to a total disconnect between the timing of operational plans and their supporting budgets. In this case, the additional funds approved for the period until 30 June 2001 are in fact meant to cover the next two months. While unorthodox, this system works – as the Secretariat and the ACABQ wrestle with the fine points of mission design, the implementation proceeds unhampered. By the time the budget for 2000/01 is finally approved, the money may well have been spent.

<sup>165</sup> A/RES.55/237 of 8 February 2001

# Annexes

## Scope of the Study

This study specifically pursues two related recommendations that Fafo made in its report “Command from the Saddle: Managing United Nations Peace-building Missions”:<sup>166</sup>

**Recommendation xxvi.** A review should be undertaken, in consultation with relevant General Assembly bodies, to determine how the budget approval process for newly established missions can be compressed.

**Recommendation xxix.** In addition to a mission’s regular budget, voluntary contributions from donors can often be used to finance peace-building activities. SRSGs require a source of funds for peace-building activities that can be used in a flexible manner to build support for the peace process and to meet unplanned challenges. Donor countries are often willing to provide funds for this purpose. A review should be undertaken to identify the financial instruments (i.e. “trust funds”) through which voluntary contributions may be received for the purpose of funding peace-building activities proposed by an SRSG. The review should identify which offices and programmes of the UN presently implement such instruments, the programme support costs and procedures associated with these instruments and the average time required to establish each instrument. The review should constitute a sort of guide, enabling an SRSG to establish quickly a mechanism suitable to his or her mission. The review should also make recommendations to improve the transparency of such instruments.

## Methodology and Format

The Praxis Group, serving as consultants to the Center on International Cooperation and Fafo’s Programme for International Co-operation and Conflict Resolution, undertook the reviews called for in recommendations xxvi and xxix, and consolidated its findings into this report. In order to understand the practical implications of some of the issues raised, the consultants examined ten missions led by SRSGs. Eight of these had a peacekeeping mandate with strong cross-sectoral peace-building

<sup>166</sup> The specific considerations that led to these recommendations can be found in section 6.4 of Fafo’s report.

and post-conflict recovery elements; one was a peace-building mission with a purely political and development-oriented context; **and** one represented the classical peacekeeping model. These missions may be considered typical to the extent that they reflect activities in different regions and different times, namely:

- El Salvador (ONUSAL, 1990–1995)
- Cambodia (UNTAC, 1991–1995)
- Mozambique (ONUMOZ, 1992–1994)
- West Bank and Gaza (UNSCO, 1994–1997)
- Bosnia and Herzegovina (UNMIBH, 1995 to date)
- Kosovo (UNMIK, 1999 to date)
- Sierra Leone (UNAMSIL, 1999 to date)
- East Timor (UNTAET, 1999 to date)
- Democratic Republic of Congo (1999 to date)
- Ethiopia and Eritrea (2000 to date)

Particular attention is paid to the Security-Council's decision-making process leading to the determination of a mission's financial scope, the definition of a mission's detailed budget requirements within the Secretariat, and the considerations by ACABQ and the Fifth Committee, culminating in formal budget approval by the General Assembly and the subsequent release of operational funds. How did the various phases of this process, the procedures in place, and their timing affect the operational effectiveness of these missions? How was external, voluntary funding integrated into the missions?

In order to obtain the necessary information, the consultants reviewed both official records and private documents. They also conducted interviews at the United Nations with protagonists who had participated in these missions and with Headquarters staff in the Departments responsible for **mission** support. In addition, external auditors, members of the ACABQ Secretariat and staff of UNDP's Emergency Response Division as well as UNOPS were consulted. A list of the people interviewed can be found at the appendices of this report.

## **Bibliography**

- Boutros-Ghali, B. (1995) *An Agenda for Development 1995* (with related UN documents), United Nations, New York.
- Boutros-Ghali, B. (1995) *An Agenda for Peace 1995* (with the new supplement and related UN documents), United Nations, New York.
- Brynen, R., Awartani, H., and Woodcraft, C. (1998) *Donor Assistance in Palestine*, A report prepared for the CIC (NYU)/SSRC “Pledges of Aid” project, in mimeo, October 1998, 54 p.
- Forman, S., Patrick, S., Salomons, D. (2000) *Recovering from Conflict: Strategy for an International Response*, a policy paper in the series “Paying for Essentials”, Center on International Co-operation, New York University, New York.
- Forman, S., Patrick, S., eds. (2000) *Good Intentions: Pledges of Aid for Postconflict Recovery*, Lynne Rienner, Boulder
- Hooper, R. (1999) *The International Politics of Donor Assistance to Palestinians in the West Bank and Gaza Strip, 1993–1997*, *Research in the Middle East Economics*, Vol. 3, pp. 59–95.
- Kaplan, R.S., and Norton, P.D. (1996) *The Balanced Scorecard*, Harvard Business School Press, Boston.
- Ulrich, D., Zenger, J., and Smallwood, N. (1999) *Results-Based Leadership*, Harvard Business School Press, Boston.
- United Nations (1996) *The Blue Helmets: A Review of United Nations Peacekeeping*, United Nations Department of Public Information, New York (Third Edition).
- United Nations Blue Books Series, Volume III (1995) *The United Nations and Cambodia (1991–1995)* With an introduction by Boutros Boutros-Ghali, Secretary-General of the United Nations, Department of Public Information United Nations, New York.
- United Nations Blue Books Series, Volume IV (1995) *The United Nations and El Salvador (1990–1995)* With an introduction by Boutros Boutros-Ghali, Secretary-General of the United Nations, Department of Public Information United Nations, New York.

United Nations Blue Books Series, Volume V (1995) *The United Nations and Mozambique (1992–1995)* With an introduction by Boutros Boutros-Ghali, Secretary-General of the United Nations, Department of Public Information, United Nations, New York.

## **Key United Nations Documents**

**ST/SGB/Financial Rules/1/Rev.3 (1985)** – Financial Regulations and Rules of the United Nations (Series 100). Secretary-General's Bulletin.

**ST/SGB/188 of 1 March 1982** – Secretary-General's Bulletin. Subject: Establishment and Management of Trust Funds.

**ST/AI/285 of 1 March 1982** – Administrative Instruction – Subject: Technical Cooperation Trust Funds.

**ST/AI/284 of 1 March 1982** – Administrative Instruction – Subject: General Trust Funds.

**A/47/277 – S/24111 of 17 June 1992** – An Agenda for Peace. Preventive diplomacy, peacemaking and peacekeeping. Report of the Secretary-General pursuant to the statement adopted by the Summit Meeting of the Security Council on 31 January 1992.

**A/RES/47/218 of 12 February 1993** – Resolution Adopted by the General Assembly [on the report of the Fifth Committee (A/47/832)]

**S/25859 of 28 May 1993** – Note by the President of the Security Council

**A/47/990 of 30 July 1993** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations. Report of the Advisory Committee on Administrative and Budgetary Questions.

**A/48/403/Add.2 of 1 December 1993** – Improving the capacity of the United Nations for peacekeeping. Report of the Secretary-General – Addendum.

**A/48/403/Add.1/Corr.1 of 22 November 1993**– Improving the capacity of the United Nations for peacekeeping. Report of the Secretary-General – Corrigendum.

**A/48/403/Add.1 of 2 November 1993** – Improving the capacity of the United Nations for peacekeeping. Report of the Secretary-General – Addendum.

- A/48/421 of 19 October 1993** – Joint Inspection Unit, Staffing of the United Nations peacekeeping and related missions (civilian component). Note by the Secretary-General.
- A/48/421/Add.1 of 1 December 1993** – Joint Inspection Unit, Staffing of the United Nations peacekeeping and related missions (civilian component). Note by the Secretary-General.
- A/RES/48/42 of 10 December 1993** – Comprehensive review of the whole question of peacekeeping operations in all their aspects.
- A/48/403\* – S/26450 of 14 March 1994** – Improving the Capacity of the United Nations for peacekeeping. Report of the Secretary-General.
- A/48/945 of 25 May 1994** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations. Effective planning, budgeting and administration of peacekeeping operations. Report of the Secretary-General.
- A/48/945/Corr.1 of 30 September 1994** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations. Effective planning, budgeting and administration of peacekeeping operations. Report of the Secretary-General – Corrigendum.
- A/49/557 of 20 October 1994** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations. Effective planning, budgeting and administration of peacekeeping operations. Report of the Secretary-General.
- A/49/664 of 18 November 1994** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations. Report of the Advisory Committee on Administrative and Budgetary Questions.
- A/49/664/Add.1 of 2 December 1994** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations. Report of the Advisory Committee on Administrative and Budgetary Questions. Addendum.
- A/49/803 of 21 December 1994** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations: Financing of the United Nations Peacekeeping Operations. Report of the Fifth Committee.



- A/49/803/Add.1 of 22 December 1994** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations: Financing of the United Nations Peacekeeping Operations. Report of the Fifth Committee (Part II).
- A/49/803/Add.2 of 21 March 1995** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations: Financing of the United Nations Peacekeeping Operations. Report of the Fifth Committee (Part III).
- A/49/803/Add.3 of 21 March 1995** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations: Financing of the United Nations Peacekeeping Operations. Report of the Fifth Committee (Part IV).
- A/RES/49/233 of 1 March 1995** – Resolution Adopted by the General Assembly (on the report of the Fifth Committee (A/49/803/Add.1)).
- A/RES/49/233 B of 28 April 1995** – Resolution Adopted by the General Assembly (on the report of the Fifth Committee (A/49/803/Add.2)).
- A/RES/51/243 of 10 October 1997** – Resolution Adopted by the General Assembly [on the report of the Fifth Committee (A/51/922/Add.2)]
- A/RES/52/248 of 23 September 1998** – Resolution Adopted by the General Assembly [on the report of the Fifth Committee (A/52/453/Add.4)]
- A/52/453 of 13 October 1997** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations: Financing of the United Nations Peacekeeping Operations. Report of the Fifth Committee.
- A/52/453/Add.1 of 11 November 1997** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations: Financing of the United Nations Peacekeeping Operations. Report of the Fifth Committee (Part II).
- A/52/453/Add.2 of 29 March 1998** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations: Financing of the United Nations Peacekeeping Operations. Report of the Fifth Committee (Part III).
- A/52/453/Add.3 of 16 June 1998** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations: Financing of the United Nations Peacekeeping Operations. Report of the Fifth Committee (Part IV).

- A/52/453/Add.4 of 30 June 1998** – Administrative and Budgetary Aspects of the Financing of the United Nations Peacekeeping Operations: Financing of the United Nations Peacekeeping Operations. Report of the Fifth Committee (Part V).
- A/52/860 of 7 May 1998** – Financing of the United Nations peacekeeping operations. Report of the Advisory Committee on Administrative and Budgetary Questions.
- A/53/418 of 22 September 1998** – Support account for peacekeeping operations. Report of the Advisory Committee on Administrative and Budgetary Questions.
- ST/SGB/1998/15, ST/SGB/Financial Rules/1/Rev.3/Amed.1 of 30 September 1998** — Secretary-General's Bulletin. Amendment of Financial Rule 110.32: Property Survey Board.
- A/53/693 of 23 November 1998** – First performance report. Report of the Secretary-General.
- A/53/7/Add.8 of 1 December 1998** – Report of the Advisory Committee on Administrative and Budgetary Questions. Addendum. Ninth report: first performance report.
- A/53/5/Corr.1 of 12 January 1999** – Financial report and audited financial statements for the biennium ended 31 December 1997 and Report of the Board of Auditors. Volume I, Corrigendum.
- Supplement No.5 (A/53/5)** – Financial report and audited financial statements for the 12-month period from 1 July 1997 to 30 June 1998. Report of the Board of Auditors, Volume II. United Nations peacekeeping operations.
- A/53/854/Add.1 of 4 March 1999** – Support account for peacekeeping operations. Report of the Secretary-General. Addendum.
- A/53/854 of 4 March 1999** – Support account for peacekeeping operations. Report of the Secretary-General.
- A/305-S/2000/809 of 21 August 2000** – Report of the Panel on United Nations Peace Operations.
- S/2000/1081 of 20 October 2000** – Report of the Secretary-General on the implementation of the report of the Panel on United Nations peace operations.

S/2001/394 of 20 April 2001 – No exit without strategy: Security Council decision-making and the closure or transition of United Nations peacekeeping operations. Report of the Secretary-General.

A/55/... of 28 May 2001 (draft) – Implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations. Report of the Secretary-General.

## **Interviews Conducted (1999–2001)\***

Seth K. Adza, Director, Panel of External Auditors of the United Nations

Aldo Ajello, Special Envoy of the European Union, formerly Special Representative of the Secretary General for Mozambique

Denis Beisel, Director, Operational Services Division, Office of Human Resources Management, United Nations

Steinar Björnsson, Deputy Director, Field Administration and Logistics Division, Department of Peacekeeping Operations, United Nations

Jules Corwin, Executive Secretary, Advisory Committee on Administrative and Budgetary Questions, United Nations

Miguel Mourato Gordo, Finance Officer, Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts, United Nations

Reinhart Helmke, Executive Director, United Nations Office for Project Services

Rick Hooper, Research Director, Fafo Institute for Applied Social Science, Norway

Angela Kane, Director, Americas and Europe Division, Department of Political Affairs, United Nations

Emil Lim, Chief, Asia and Middle East Section, Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts, United Nations

Auke Lootsma, Trust Fund/CAP Co-ordinator, Emergency Response Division, UNDP

\* Functional titles reflect position at time of interview.

- Marie-Anne Martin, Chief, Staffing Support Section, Department of Peacekeeping Operations, United Nations
- Grace Mudiwa, Finance Officer, Europe and Latin America Section, Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts, United Nations
- James Mutiso, Deputy Chief, Finance Management and Support Service, Field Administration and Logistics Division, Department of Peacekeeping Operations, United Nations
- Vivian van de Perre, Finance Officer, Asia and Middle East Section, Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts, United Nations
- Mary Sowinski, Chief, Europe and Latin America Section, Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts, United Nations
- John Renninger, Deputy Director, Asia and the Pacific Division, Department of Political Affairs, United Nations
- Terje Rod-Larsen, Honorary Chair, Programme for International Co-operation and Conflict Resolution, Fafo Institute for Applied Social Science, Norway; United Nations Special Co-ordinator in the Occupied Territories (UNSCO), West Bank and Gaza
- Igor Vallye, Officer in Charge, Africa Section, Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts, United Nations
- Bock Yeo, Director, Peacekeeping Financing Division, Office of Programme Planning, Budget and Accounts, United Nations
- Frances Zainoeddin, Deputy Director, Programme Planning and Budget Division, Office of Programme Planning, Budget and Accounts, United Nations

## **About the Authors**

Dirk Salomons is Managing Partner of the Praxis Group, Ltd., an international change management consulting firm based in the USA and Switzerland. Praxis works mainly with public service organisations, and its collaborators have expertise in humanitarian assistance, peacekeeping and post-conflict recovery, as well as in human resources management and privatisation. Mr. Salomons holds appointments as Adjunct Professor of International Public Administration at both Columbia University's School of International and Public Affairs and at New York University's Robert F. Wagner Graduate School of Public Service.

Dennis Dijkzeul is Director of the Humanitarian Affairs Programme at the School of International and Public Affairs, Columbia University. Dr. Dijkzeul is author of several books and articles on UN system management, and serves as a Principal Consultant with the Praxis Group.

## **About CIC**

The Center on International Cooperation (CIC), an independent institute established at New York University in 1996 promotes policy research and international consultations on multilateral responses to transnational problems. Working with officials of government and intergovernmental agencies, as well as corporate and civil society leaders, the Center seeks to clarify the economic, political, legal and institutional foundations of effective international cooperation. It focuses on such diverse sectors as international justice, humanitarian assistance, development aid and peace-building. The Center's international and multidisciplinary staff assess current needs and financing sources and, as necessary, explore the appropriateness and feasibility of alternative sources of funding and institutional arrangements. We intend these efforts to produce practical policy recommendations and help to increase the public understanding necessary to implement and sustain essential multilateral activities.

## **About PICCR**

The Programme for International Co-operation and Conflict Resolution (PICCR) at the Fafo Institute in Oslo, Norway is an umbrella programme for initiatives related to the search for peaceful resolutions to conflict through international co-operation and dialogue. PICCR is actively engaged in efforts to understand and promote effective multilateral co-operation, efficient international organisation and sustainable conflict resolution. Since its inception in March 1998, PICCR has been involved in policy research and learning activities that encourage and support principles of multilateralism and international co-operation in general, as well as initiatives aimed at resolving and preventing conflict. The honorary Chair of PICCR is Terje Rød-Larsen.



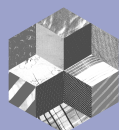




# The Conjurers' Hat

In 1998, PICCR brought together a group of Special Representatives of the UN Secretary-General (SRSG), as well as senior managers from the UN, to discuss practical ways to strengthen UN peace operations. The report of that meeting, *Command from the Saddle*, identified the need to examine the financing of peace-building with a view to identifying the role of financial mechanisms in mission effectiveness. In *The Conjurers' Hat*, the authors examine the financing of ten missions led by SRSGs during the period 1992–2001. The report also describes the internal reform processes related to the financing of peacekeeping and peace-building, including the impact of the Panel on UN Peace Operations in 2000 and the different voluntary funding mechanisms that have arisen over the years in support of peace operations.

This report was commissioned jointly by the Center on International Cooperation, New York University and the Programme for International Co-operation and Conflict Resolution, the Fafo Institute. Support for PICCR's Peace Implementation Network project is provided by the Government of Norway and the MacArthur Foundation.



## **CENTER ON INTERNATIONAL COOPERATION**

### **Center on International Cooperation**

New York University  
418 Lafayette Street, Suite 543  
New York, New York 10003  
tel (212) 998-3680  
fax (212) 995-4706  
[www.cic.nyu.edu](http://www.cic.nyu.edu)



## **Fafo**

**Institute for Applied Social Science**  
P.O. Box 2947 Tøyen  
N-0608 Oslo  
[www.fafo.no](http://www.fafo.no)

**Fafo-report 359**  
**ISBN 82-7422-341-1**  
**ISSN 0801-6143**