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FOREWORD:

The purpose of the Organization of the United Nations is to maintain world peace and security, to develop friendly relations among nations, and to achieve international cooperation in solving international problems. The Organization has to address, and attempt to resolve, conflicts, rivalries, and divisive political issues. It has to set standards, and to provide leadership and direction in political, economic, and social matters. It is called upon to provide assistance directly or indirectly to Less Developed Member States.

Member States have made constant demands on the Organization and sought to ensure that it respond to their many and pressing needs. However, throughout its long history, the resources provided by Member States through their contributions have tended to fall short of the demands they place on the Organization. Not only does this create tensions among Member States, with their competing expectations and priorities, but it also stresses the institutional fabric of the UNO itself. The constant, and often disappointed, demands on the UN System that it respond to the many and pressing needs of Member States calls forth a requirement for global recognition of the imperative necessity for sustained efforts to improve and strengthen the Organization so that it may be, and be seen to be, both relevant and effective.

The "financial crisis" of 1986 underlined that the UNO had fallen into a sad state of general disrepair that threatened to weaken the whole system. The crisis, however, may also have served to rekindle the resolve of the Membership to take remedial action. Due largely to the work of the High Level Group, a number of reform initiatives have been undertaken that should have a beneficial impact on the Organization.

Few UN Specialized Agencies have had to deal with major financial crisis such as that of 1986, although, as UNESCO shows, agencies are not immune from controversy or from the risk of catastrophe. Over the years, all the Agencies have had their share of political difficulties and of the financial, budgetary,