

REFORM OF THE UNITED NATIONS

BACKGROUND

Since the end of 1956, when it faced a shortfall on assessed contributions and had difficulties covering the cost of the United Nations Emergency Force, the UN has been buffeted by a series of financial crises. Over the years, a significant debt has been accumulated against peacekeeping activities and against the regular budget. To meet shortfalls in contributions and to avoid cash-flow disruptions, the UN depleted all of its financial reserves.

The current financial emergency was triggered in November 1985 when the USA Administration withheld part of its 1985 contribution. The action, taken to conform with the provisions of the Kassebaum Amendment which aims at UN reform and the Gramm-Rudman-Hollings Law which aims to reduce the USA budget deficit, forced the UN to take extraordinary budgetary measures. The measures made it possible to reduce the overall level of expenditures and to close the 1986 accounts with a small positive cash balance. It now appears that 1987 will also end in a little black ink.

The financial crisis may have accelerated the process of UN reform, which had been going on for some time in the UN itself and in the major Specialized Agencies. A Japanese proposal to review the administration and budget of the UN (the "High Level Group") became the locus of a major, and successful, effort to improve the budgetary decision-making process of the UN. In the fall of 1986, the General Assembly examined and, after much travail, endorsed the report of the High Level Group.

During 1987, the accent has been on reform implementation. Reform continues and the CPC (Committee for Programme and Coordination) is expected to play a key role. Being able to scrutinize the budgetary process from the very beginning, it is in a position to make a significant impact on the direction and effectiveness of the UN programme of activities.

CANADIAN POSITION

Canada has played a leading role on UN reform because it considers that there is a need for a strong and relevant multilateral system, and because it wants to see the UN fulfil better its political, economic and social mandate. Lightening the existing financial burden on Member States has not

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