

**Alternative Financing for the United Nations:  
An Idea Whose Time Has Finally Come?**

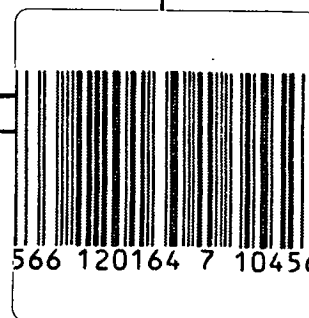
Canadian Foreign Minister André Ouellet recently stated that "the Organization's financial crisis is crippling its effectiveness and its credibility." UK Foreign Secretary Malcom Rifkind has said that "the UN is on the verge of collapse." UN Secretary General Boutros Boutros-Ghali has been warning of the crisis in United Nations' financing for several years. Yet little has been done. During this year's proceedings of the United Nations General Assembly 50th session, some fifteen heads of state made reference to the need for more serious study of alternative financing schemes for the United Nations. Numerous scholarly works published concurrently with UNGA50 have argued for the same. This Commentary reviews the financing issue and addresses whether the time has come for the UN to move beyond the matter of laggardly contributions by certain members and look at autonomous funding schemes.

**The Financial Context**

The Secretary General amongst others has argued that the UN faces a crippling financial crisis primarily due to members' negligence in meeting their obligations. Boutros Boutros-Ghali has said that, while the technical questions surrounding the appropriation and "fairness" of the current scale of assessments must be addressed, the United Nations could function effectively if all nation-states paid their dues in full and on time. As Foreign Affairs Minister Ouellet has noted, Canada has always been prominent in calling for all members to meet their obligations on time, as we have consistently done. As of September 30, 1995, total outstanding UN contributions were US\$3.3 billion, of which some \$2.5 billion is outstanding towards the peacekeeping budget. The question of arrears to the regular budget is also vexing, as sixty percent of the \$810 million due is owed by the United States, with most of the remainder falling on states of the Former Soviet Union.<sup>1</sup>

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UN Contributions outstanding as of 30 September 1995, \$million			
	Regular	Peacekeeping	Total
United States	527.2	907.2	1,434.4
Russia	20.5	571.0	591.7
Ukraine	52.6	185.0	237.6
Japan	0.0	197.6	197.6
South Africa	61.1	57.6	118.6
France	0.0	101.4	101.4
Italy	0.0	92.6	92.6
Britain	0.0	85.1	85.1
Belarus	10.4	48.0	58.4
Others	138.3	274.9	413.0
Total	810.1	2,520.3	3,330.4



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