

financial difficulties of the United Nations. While this body, on which Canada is represented, has made some progress, it has not yet managed to reach agreement upon guidelines for the financing of future peacekeeping operations. On September 1, 1965, the General Assembly agreed to a consensus, worked out in the Special Committee, that countries should not lose their vote because of the financial problems of UNEF and ONUC and that the financial difficulties of the organization should be solved through voluntary contributions by member states. Even before this decision had been taken, Canada had announced that it would donate \$4 million as an unconditional voluntary contribution to a special fund to restore the United Nations to solvency. To date, 24 countries have contributed or pledged \$22.6 million (U.S.) to the United Nations Special Account, which, owing to income earned on investments and other sources, now stands at slightly over \$25 million (U.S.).

These contributions are inadequate, and to restore the United Nations to solvency it has been estimated early in 1971 that addition voluntary contributions of \$52.3 million (U.S.) as a minimum and \$69.9 million (U.S.) as a maximum would be needed. Other financial problems requiring solution are claims by 17 states, including Canada, arising out of contributions of military contingents and supplies for certain peacekeeping operations and the liquidation of the unamortized portion of the United Nations bond issue. As of December 31, 1970, Canada's unamortized bonds amounted to about \$4.6 million (U.S.).

The financing of UNFICYP has been accomplished without open controversy, since, unlike UNEF and ONUC, it has never been paid for by assessment. The same Security Council resolution which established UNFICYP on March 21, 1964, also provided for its financing through voluntary contributions. However, voluntary contributions have proved an unreliable means of financing. Deficits have plagued UNFICYP from the start and the Secretary-General has had to make frequent appeals for more contributions. As of May 20, 1971, about \$122 million (U.S.) had been pledged or contributed to meet an estimated cost of about \$128.5 million (U.S.). These costs do not include those that some troop-contributors, including Canada, have agreed to absorb at their own expense without seeking reimbursement from the United Nations. During 1971, Canada is expected to absorb about \$1.8 million over and above what it would normally have paid to maintain its contingent at home.

Development Funds

The United Nations Development Program (UNDP) was created by the United Nations General Assembly in November 1965 (Resolution 2029 (XX)) through the merger of the United Nations Special Fund (1959) and the Expanded Program of Technical Assistance (EPTA) (1949). The UNDP is financed by voluntary contributions from members of the United Nations or the Specialized Agencies, while the governments that receive the assistance are responsible for the local ("counterpart") costs of the projects.