

At any time the SG has standing authority to spend \$3 million annually for "peace and security", but this will not take him very far in peace-keeping. After the Security Council has voted to establish a new mission and pending General Assembly approval and actual funds, the SG has financial authority to spend up to \$10 million annually per mission as part of his general "unforeseen and extraordinary expenses" authority. Slightly later in the process, after ACABQ has approved the budget but pending 5th Committee and GA approval, the SG can seek ACABQ authority to commit up to \$50 million to start up a mission. Invariably both the \$10 million and the \$50 are far from sufficient, and anyway as set out above, this is spending authority and not the actual cash itself.

Armed with spending authority, the SG has several avenues to internally borrow monies. There is the Central Emergency Revolving Fund that only has \$50 million, and is largely restricted to being used for humanitarian activities. That leaves three main funds, the Special Account, the Working Capital, and the Peace-keeping Reserve Fund. The Special Account of \$140 million and the Working Capital of \$100 million are general cash flow mechanisms to handle all UN internal financing and as such do not lend themselves easily to being tapped for peace-keeping loans.

The Peace-keeping Reserve Fund's purpose on the other hand is to provide adequate cash to handle the start-up costs of missions as well as temporary cash shortages in ongoing missions. As per GA Res 47/217 23 December 1992 it was authorized at \$150 million, although to date only \$64 million of this is available. The other \$86 million was to have been filled over time with general budget surpluses but those surpluses have been needed just to meet regular UN budget arrears. Even if the \$86 million is forthcoming, this level is seen as too low, and the SG has proposed "an amount of \$800 million, a sum equivalent to approximately four months' expenditure of the peace-keeping budgets in 1993..."<sup>21</sup>

An underlying complication is that peace-keeping missions unlike most other UN core activities, are not funded from the regular UN budget, but are the subject of separate assessments to member states. Once the General Assembly approves a particular peace-keeping budget, assessment letters are sent out to members states, and "Member States are required to pay their contributions in full within 30 days of the assessment, but in recent years, 90 days after the assessment, the Organization has received on average only 45 per cent of contributions, and after 180 days, only 68 per cent."<sup>22</sup> If anything, and according to a senior UN financial officer, responses have worsened to only 30% after 90 days, and 60% after 180 days.

Peace-keeping arrears are common and increasingly debilitating for regular missions much less those requiring rapid reaction. The SG regularly urges member states "to establish appropriate legal and administrative mechanisms so that they can act promptly once the decision to contribute to an operation has been taken."<sup>23</sup> Peace-keeping contribution delays and shortfalls have resulted in a degree of creative UN bookkeeping.

The SG has suggested that immediately after a SC vote that "Member States be assessed for one third of

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<sup>21</sup> para 53, A/48/403 (S/26450) 14 March 1994 **Improving the capacity of the United Nations for peace-keeping**, Report of the Secretary-General

<sup>22</sup> para 47, A/48/403 (S/26450) 14 March 1994 **Improving the capacity of the United Nations for peace-keeping**, Report of the Secretary-General

<sup>23</sup> para 13, A/48/403 (S/26450) 14 March 1994 **Improving the capacity of the United Nations for peace-keeping**, Report of the Secretary-General