



TOWARDS A RAPID REACTION CAPABILITY FOR THE UNITED NATIONS

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The Secretariat needs the ability to delegate financial authority in implementing peace operations. The UN's financial and budgetary systems, which are largely headquarters-based, are clearly antiquated. The requirements are clear: first, greater delegation of authority from UN headquarters to field operations; and, second, the creation of a special set of financial procedures for use in emergency situations. A UN study of operations conducted in 1993 indicated that 75% of UN procurement for peacekeeping missions were for purchases of between US\$1,000 and \$70,000.²⁵ Delegation to the field for these relatively small amounts would reduce the load of an already over-burdened Secretariat and substantially reduce current delays in procurement. Some of the humanitarian agencies have already put into place emergency procedures which permit sufficient delegation of authority that they can function effectively and rapidly in the field. The UNHCR, for example, has a simple but effective procedure for emergency letters of instruction. The UN needs a parallel system providing for delegation of financial authority to appropriate levels. Implementing such a system would help address the chronic problem of the relationship among the Chief Administrative Officer, the Head of Mission and the Department of Administration and Management in New York.

- 6. Member States and the Secretary-General should work toward the adoption of a set of financial regulations which would permit the UN to function adequately in a crisis situation. These regulations would involve the delegation of responsibility and commensurate authority to appropriate senior UN officials (Under-Secretaries-General, Special Representatives and Force Commanders) to facilitate the effective implementation of peace operations.**

An equally vexatious issue is the UN's cash-flow problem. Due to late or unpaid contributions, the UN often has no funds at its disposal for operations. Often the Secretariat is forced to borrow from one mission account to pay for routine operations in another. In 1993 the General Assembly established the Peacekeeping Reserve Fund, but it remains under-financed and, in any case, is authorized at only US\$150 million, a sum inadequate in light of current operational requirements. The 1993 study of the Independent Advisory Group, *Financing an Effective United Nations*, co-chaired by Shijuro Ogata and Paul Volcker, supported an increase in the fund, which the Secretary-General has subsequently urged be raised to US\$800 million. In the short to medium term, Member States of the UN should endeavour to increase the authorization of the fund to approximately the amount required to fund one month's operations, based upon the current total peacekeeping budget, or a total of approximately US\$300 million. It would also be useful if interest revenue could be retained in the Peacekeeping Reserve Fund.

- 7. The funding of the revolving Peacekeeping Reserve Fund for current operations should be increased to US\$300 million from the current \$150 million, by way of assessed contributions from Member States, and interest revenue should be retained in the Fund.**

While the traditions of the UN's financial system tend toward centralization of control, the idea of delegation to appropriate levels of authority needs to be pressed with vigour. A 1994 report of the Secretary-General on restructuring the UN Secretariat indicated that, "The process of modernizing management practices — an essential