

An important step has already been taken at the United Nations in developing into a workable strategy the idea of using sanctions to obtain control of money which can be used to address problems in the world. Security Council resolutions 706 and 712 empowered member nations to transfer frozen Iraqi assets to a United Nations escrow account to pay for humanitarian relief and other United Nations operations in Iraq, and resolution 778 empowered states to sell Iraqi oil assets for the same purpose. The seizure of assets has a negative effect on world trade and may not always generate much revenue, but it does have some of the characteristics of a system of pro-active sanctions.

A closer, but untested, variation of pro-active sanctions can be found in the North American Agreement on Environmental Cooperation agreed to by Canada, Mexico and the United States. In the event that one of the Parties to the agreement is found to have persistently failed to enforce its own environmental standards and that Party does not implement corrective action, provision has been made for a "monetary enforcement assessment" or fine that is paid from the national Treasury (the Consolidated Revenue Fund in Canada's case) into a trilaterally managed fund dedicated to improving the environment or environmental law enforcement in the Party complained against.⁵⁶ It is important to recall that this mechanism applies between three partner countries, not adversaries. Moreover, given the importance of trade to Canada, this country preferred that the collection of any fine ultimately be made enforceable through the appropriate domestic court by way of summary proceedings, whereas both the U.S. and Mexico accepted that the failure to pay a fine could be collectable through a suspension of trade benefits (likely through an increase in import duties). Yet, the concept of an internationally disciplined fine and action fund system in this example is, broadly speaking, consistent with the pro-active sanctions approach outlined in this Paper.

5. Conclusion

Development of institutions with adequate facilities to direct and control United Nations operations, including the management of sanctions, could make possible greater sophistication in the design of traditional coercive sanctions. However, it is unlikely that sanctions will prove to be effective coercive forces in the short term under typical conditions, and their capacity over time to degrade the economic resources of the target state so that it becomes increasingly vulnerable to other factors such as armed resistance

⁵⁶ North American Agreement on Environmental Cooperation between the Government of Canada, The Government of the United Mexican States, and the Government of the United States of America, Final Draft, 13 September 1993, Articles 34 and 36, Annexes 34 and 36 A/B. See also Keith H. Christie, Stacking the Deck: Compliance and Dispute Settlement in International Environmental Agreements, Canada, Department of Foreign Affairs and International Trade, Policy Staff Paper No. 93/15 (December 1993).