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U.S. Participation in Peacekeeping Operations



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National Security and
International Affairs Division

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September 9, 1992

The Honorable Dante B. Fascell
Chairman, Committee on Foreign Affairs
House of Representatives

Dear Mr. Chairman:

This report responds to your request that we undertake a study of United Nations peacekeeping operations and activities and review the Department of State's oversight of U.S. interests in these matters.

We are sending copies of this report to the Secretaries of State and Defense; the Director, Office of Management and Budget; the Chairman and Ranking Minority Members of the Senate Committee on Foreign Relations and the House and Senate Committees on Appropriations; and the Ranking Minority Member of the House Committee on Foreign Affairs.

The report was prepared under the direction of Harold J. Johnson, Director, Foreign Economic Assistance Issues. He can be reached at (202) 275-5790 should you or your staff have any questions. Other major contributors are listed in appendix V.

Sincerely yours,

A handwritten signature in black ink that reads "Frank C. Conahan". The signature is written in a cursive, flowing style.

Frank C. Conahan
Assistant Comptroller General

Executive Summary

Purpose

With a current annual cost of nearly \$2.5 billion, peacekeeping operations are among the most important and costly United Nations (U.N.) activities. Because of the significance of these activities, the Chairman, House Committee on Foreign Affairs, asked GAO to review the Department of State's management of U.S. interests in U.N. peacekeeping operations. GAO's objectives were to (1) determine the processes for establishing, financing, and implementing U.N. peacekeeping missions; (2) assess the effectiveness of State's oversight of U.S. interests in these operations; and (3) determine the role played by the Department of Defense (DOD) in supporting U.N. peacekeeping activities. GAO also provides information on the role of other international organizations in peacekeeping activities.

Background

U.N. peacekeeping operations involve the use of troops and/or observers to maintain peace and build security in areas of conflict. Since 1948, the U.N. Security Council has established 25 peacekeeping operations, including 8 in 1991 and 1992. Today, the U.N. has over 30,000 peacekeepers and support personnel deployed in Africa, Asia, Central America, and the Middle East and is deploying thousands more to maintain the peace in Cambodia and Yugoslavia.

U.N. peacekeeping costs have grown significantly, particularly with the decision to send peacekeeping missions to Yugoslavia and Cambodia. As a permanent member of the U.N. Security Council, the United States is assessed for over 30 percent of total U.N. peacekeeping costs, making it the largest financial contributor to U.N. peacekeeping activities.

Results in Brief

The U.N. Security Council authorizes peacekeeping operations proposed by the Secretary General or member countries, and the General Assembly reviews and approves the operations' budgets. Most peacekeeping operations are funded through a special assessment scale, which since 1973 has placed most of the financial responsibility for these operations on the five permanent Security Council members. With the growing number and cost of peacekeeping operations, this assessment scale places a significant financial burden on the United States at a time when other countries may have a greater capacity than in the past to share in peacekeeping costs.

State has primary responsibility for overseeing U.S. participation in U.N. peacekeeping operations and for ensuring that U.S.-provided resources are well spent. State has not, however, conducted field-level monitoring of the

economy and efficiency of these operations. During field visits to peacekeeping locations, GAO found that opportunities exist to reduce costs and improve efficiency.

U.N. requests for DOD assistance have expanded, but DOD procedures for providing, controlling, and reporting this assistance are not up-to-date. DOD has not been required to track and report expenses incurred, and thus has not billed the U.N. for all reimbursable costs. It also does not know the full value of assistance provided. Defense and State disagreed about reimbursement policies for airlift services provided to the U.N.

Certain regional and international organizations have peacekeeping roles that complement U.N. efforts, but use of these organizations has both advantages and disadvantages.

Principal Findings

Implementing and Financing Peacekeeping Operations

Peacekeeping missions are proposed by the U.N. Secretary General or member countries, authorized by the Security Council, and funded with the approval of the General Assembly. The Security Council reviews peacekeeping operations upon renewal of their mandates (usually semiannually) and makes decisions regarding their continuation, modification, or termination. General Assembly peacekeeping budget oversight processes could be strengthened. Members of the Assembly's Advisory Committee on Administrative and Budgetary Questions told GAO that insufficient time and resources are devoted to reviewing peacekeeping budgets. Also, member countries lack information on the results of U.N. internal audits of peacekeeping operations.

Most peacekeeping operations are financed by special U.N. assessments, which since 1973 have been calculated using a scale that allocates a higher proportion of costs to the five permanent Security Council members than these members pay for their regular U.N. budget assessments. Under this scale, the United States is assessed for 30.4 percent of peacekeeping costs, as compared to 25 percent for the U.N. regular budget. Changes in the relative economic status of countries since 1973 raise questions as to whether the special scale of assessments continues to represent an equitable basis for distributing peacekeeping costs.

State's Oversight of U.S. Interests in Peacekeeping Activities

State oversees U.S. interests in U.N. peacekeeping operations through its representation in the Security Council and General Assembly. Within State there is a division of responsibility for the political and financial dimensions of peacekeeping, and State has recognized the need for close coordination of what may at times be competing objectives. State has not, however, incorporated field-level monitoring of peacekeeping operations to ascertain whether the operations are functioning efficiently and thus minimizing the cost to the U.S. government. During field visits, GAO found indications of duplicative peacekeeping roles, overstaffing, and other potential opportunities to reduce costs and improve efficiency. These observations do not conclusively show the need for changes in U.N. peacekeeping operations, but they underscore the importance of field-level monitoring.

Systems and Controls for Defense Assistance to U.N. Peacekeeping Can Be Improved

DOD supports U.N. peacekeeping operations with such services as military airlift, logistics support, and detail of military personnel. State receives U.N. requests for cooperative action and coordinates with DOD to provide the requested assistance. U.N. requests for DOD assistance have recently increased. Yet, some DOD policies and procedures for providing this support are outdated. Further, DOD did not account for or report the cost of its peacekeeping contribution, because according to DOD, it had no requirement to do so. As a result, DOD has not billed the U.N. for certain reimbursable costs and does not know the full value of assistance it has provided.

Prior to March 1992, DOD's policies permitted U.S. military personnel detailed to peacekeeping assignments to receive both U.N. and U.S. government subsistence payments. After GAO focused DOD's attention on this matter, it changed its travel regulations to limit U.S. government per diem payments to military personnel also receiving U.N. payments.

DOD and State disagreed about reimbursement policies for DOD airlift services provided to U.N. peacekeeping operations. State has received from the U.N. about \$13 million in credits toward the U.S. assessment for the value of DOD airlift assistance but has not reimbursed DOD for these costs. Failure to resolve this issue may become a factor in U.S. responsiveness to future U.N. airlift requests.

Peacekeeping Role of Other International Organizations

The U.N. charter requires consultation with regional organizations when establishing peacekeeping operations. Two regional and international organizations are keeping the peace in the Middle East and Liberia, and four others have complemented U.N. peacekeeping in other areas of the world. The use of these organizations in lieu of, or to supplement, U.N. peacekeeping efforts has both advantages and disadvantages that must be considered by the international community, and ultimately, the U.N. Security Council must evaluate its response to each new conflict on a case-by-case basis.

Recommendations

GAO recommends that the Secretary of State instruct the U.S. Representative to the U.N. to seek other members support for (1) examining the adequacy of the processes and resources used by General Assembly committees in reviewing peacekeeping budgets, (2) requiring that the Secretary General periodically report to member countries on the status of principal internal audit findings and recommendations regarding peacekeeping operations, and (3) reexamining the basis for, and equity of, the special U.N. assessment scale for peacekeeping operations.

GAO also recommends that the Secretary of State incorporate field-level monitoring into State's management of U.S. interests in U.N. peacekeeping activities and, when DOD personnel or resources are involved, to consult with DOD about participating in this monitoring.

GAO recommends that the Secretary of Defense

- account for and report DOD peacekeeping assistance to ensure that the United States receives recognition for its peacekeeping contributions, including personnel costs, per diem, transportation, and other related costs, and
- update policies and procedures for providing DOD logistics support to U.N. peacekeeping forces and ensure that (1) reimbursable costs are properly billed and controlled and (2) required financial activity reports are prepared and distributed.

GAO further recommends that the Secretaries of State and Defense resolve peacekeeping reimbursement issues so that the United States can respond more quickly to U.N. airlift requests.

Agency Comments

The Department of State agreed with GAO's findings and recommendations. State said that in addition to seeking support to improve the peacekeeping budget review process, it will also seek to have the formulation of budget estimates for peacekeeping operations significantly improved. GAO agrees with State that this action is also needed. State said it would find periodic reporting on internal audit recommendations and corrective measures being taken to implement them useful, and it agreed to seek support for requiring the Secretary General to provide such information. State agreed that a mechanism for field-level monitoring would be useful and said that it would try to implement such a mechanism. State said that a re-examination of the peacekeeping assessment scale is underway.

DOD commented that its participation in field-level monitoring may be appropriate when DOD personnel or resources are involved in a peacekeeping mission. GAO agrees with DOD that this may be appropriate and has modified its recommendation accordingly. DOD generally agreed with GAO's principal findings and recommendations but said that certain findings were overstated. Although GAO noted that DOD could not provide complete cost data on its participation in peacekeeping operations, DOD said that it did not lack this capability. DOD said that until recently it had not been called upon to report such costs. Nonetheless, DOD stated that it will be reporting, on a monthly basis, costs incurred for each peacekeeping operation. DOD agreed that its policies and procedures for providing logistics support to U.N. peacekeeping forces need to be updated, but DOD noted that many current procedures remain valid. DOD also said that it was already proceeding to correct the procedure allowing overpayment of per diem to U.S. military personnel serving in U.N. peacekeeping operations before GAO brought this matter to its attention; however, available documents show that this occurred subsequently.

DOD said that the peacekeeping reimbursement issue between it and State was a serious problem affecting the U.S. government's ability to respond to U.N. requests for assistance. DOD and State said they would work to resolve this matter.

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Abbreviations

DOD	Department of Defense
GAO	General Accounting Office
MFO	Multinational Force and Observers
U.N.	United Nations
UNDOF	U.N. Disengagement Observer Force
UNTSO	U.N. Truce Supervision Organization

Introduction

From 1948 through January 1992, an estimated 528,000 military, police, and civilian personnel served under the flag of the United Nations (U.N.) throughout the world to maintain peace and build security. The costs of these operations have aggregated some \$8.3 billion through 1991. As of May 1992, the U.N. was sponsoring 12 peacekeeping operations at an estimated cost for 1992 of nearly \$2.4 billion. The United States is the largest financial supporter of U.N. peacekeeping activities.

The U.N. establishes peacekeeping operations to facilitate permanent settlements of international conflicts and to act as a neutral body and catalyst to expedite these settlements. Peacekeepers can be assigned to unarmed observer missions, to lightly armed peacekeeping forces, or to missions combining both. These observers and troops must maintain a neutral stance and act with complete impartiality. Their presence is intended to deter violence, and as such, peacekeepers are not permitted to use force, except in self-defense. U.S. peacekeepers participate in several of the operations: As of April 1992, 88 U.S. military observers were assigned to U.N. peacekeeping missions in Africa, Asia, and the Middle East.

Several U.N. bodies, including the Security Council, the General Assembly (the legislative body), and the Secretariat (the executive body), are responsible for establishing and overseeing peacekeeping operations. Some peacekeeping operations financed by the regular U.N. budget may continue indefinitely, while others operate under mandates that must be reauthorized every 6 months. Peacekeeping operations are funded in several ways, but most missions are financed through special assessments. Under the special assessment scale in use since 1973, the United States pays for approximately 30 percent of total peacekeeping costs.

As a permanent member of the Security Council, the United States plays a major role in U.N. peacekeeping decisions, and given the significance of the U.S. financial contribution, it is clearly in State Department's interest to ensure operational economy and efficiency. State's oversight of U.S. interests is exercised principally through representation in the Security Council and General Assembly. The Department of Defense (DOD) is also a key participant in peacekeeping. It has provided U.N. forces with equipment, personnel, and other support services.

Finally, other international organizations also participate in peacekeeping activities, and these organizations may be called upon to play an increasingly important peacekeeping role in the future.

Tables 1.1 and 1.2 describe completed and ongoing U.N. peacekeeping operations.

Table 1.1: Completed U.N. Peacekeeping Operations

Dollars in millions

Name	Date	Description	Funding method	Total cost
U.N. Emergency Force I (UNEF I)	1956-67	Supervise withdrawal of forces from Egypt and serve as buffer between Israel and Egypt.	Special assessment	\$214.2
U.N. Observer Group in Lebanon (UNOGIL)	1958	Monitor infiltration of arms and personnel across Lebanese borders.	Regular budget	\$3.7
U.N. Operation in the Congo (ONUC)	1960-64	Verify withdrawal of Belgian forces and restore order.	Special assessment	\$400.0
U.N. Security Force in West New Guinea (UNSF)	1962-63	Maintain law and order in West New Guinea pending incorporation into Indonesia.	Other—paid by Indonesia and the Netherlands	\$32.4
U.N. Yemen Observation Mission (UNYOM)	1963-64	Supervise disengagement agreement between Saudi Arabia and United Arab Republic (Egypt).	Other—paid by Saudi Arabia and Egypt	\$1.8
U.N. India-Pakistan Observation Mission (UNIPOM)	1965-66	Supervise cease-fire along India-Pakistan border.	Regular budget	\$1.7
U.N. Emergency Force II (UNEF II)	1973-79	Supervise cease-fire agreements and control buffer zones between Egypt and Israel.	Special assessment	\$446.5
U.N. Good Offices Mission in Afghanistan and Pakistan (UNGOMAP)	1988-89	Monitor withdrawal of Soviet forces from Afghanistan.	Regular budget	\$14.0
U.N. Iran-Iraq Military Observer Group (UNIIMOG)	1988-91	Supervise cease-fire following Iran-Iraq war.	Special assessment	\$213.8
U.N. Angola Verification Mission (UNAVEM I)	1988-91	Monitor withdrawal of Cuban forces from Angola.	Special assessment	\$19.4
U.N. Transition Assistance Group (UNTAG)	1989-90	Supervise transition of Namibia from South African rule to independence.	Special assessment	\$383.5
U.N. Observer Group in Central America (ONUCA)	1989-92	Monitor arms and troop infiltration and demobilize Nicaraguan Contras.	Special assessment	Not yet available
U.N. Advance Mission in Cambodia (UNAMIC)	1991-early 92	Monitor cease-fire and prepare for deployment of UNTAC.	Special assessment	\$20.0

Source: United Nations.

Table 1.2: Ongoing U.N. Peacekeeping Operations

Dollars in millions

Name	Date	Description	Funding method	Annual cost^a
U.N. Truce Supervision Organization (UNTSO)	1948-present	Monitor cease-fires along Israeli borders and assist UNDOF and UNIFIL.	Regular budget	\$31.5
U.N. Military Observer Group in India and Pakistan (UNMOGIP)	1949-present	Monitor cease-fire agreements between India and Pakistan in the State of Jammu and Kashmir.	Regular budget	\$5.6
U.N. Peacekeeping Force in Cyprus (UNFICYP)	1964-present	Monitor buffer zone separating Greek and Turkish Communities.	Voluntary contributions	\$30.8
U.N. Disengagement Observer Force (UNDOF)	1974-present	Monitor separation of Syrian and Israeli forces in the Golan Heights.	Special assessment	\$42.0
U.N. Interim Force in Lebanon (UNIFIL)	1978-present	Establish buffer zone and facilitate peace between Israel and Lebanon.	Special assessment	\$79.8
U.N. Angola Verification Mission II (UNAVEM II)	1991-present	Monitor cease-fire and administer free elections.	Special assessment	\$42.9
U.N. Iraq-Kuwait Observation Mission (UNIKOM)	1991-present	Monitor buffer zone between Iraq and Kuwait following war.	Special assessment	\$33.6
U.N. Mission for the Referendum in Western Sahara (MINURSO)	1991-present	Monitor cease-fire and hold referendum for independence or joining Morocco.	Special assessment	\$143.0
U.N. Observer Mission in El Salvador (ONUSAL)	1991-present	Monitor human rights and phased separation of forces.	Special assessment	\$58.9
U.N. Temporary Authority in Cambodia (UNTAC)	1992-present	Supervise government functions and eventual elections while rebuilding country & disarming factions.	Special assessment	\$1,275
U.N. Protection Force in Yugoslavia (UNPROFOR)	1992-present	Monitor cease-fires between factions.	Special assessment	\$620.7
U.N. Operation in Somalia (UNOSOM)	Established May 1992	Monitor and protect U.N. relief activities.	Special assessment	\$23.1

^aAmounts shown are estimated costs for the most recent 12-month budget periods. Some figures are annualized from budget periods other than 12 months.

Source: United Nations.

Objectives, Scope, and Methodology

Given the significance and cost of U.N. peacekeeping activities, the Chairman, House Committee on Foreign Affairs, asked us to review the Department of State's management of U.S. interests in U.N. peacekeeping operations. Our objectives were to assess the following:

- the processes for establishing, financing, and implementing U.N. peacekeeping missions;
- the effectiveness of State's oversight of U.S. interests in these operations; and
- the role played by DOD in supporting U.N. peacekeeping activities.

We also obtained information on the role of other international organizations in peacekeeping activities.

We performed our review primarily at the United Nations and U.S. Mission to the U.N. in New York City and at the Department of State and the Department of Defense in Washington, D.C. We visited several U.N. peacekeeping activities, including the U.N. Supply Depot in Pisa, Italy, and peacekeeping missions in Cyprus, El Salvador, Honduras, Israel, and Syria. We also visited the Multinational Force and Observers (MFO) headquarters in Rome, Italy and MFO peacekeeping activities in the Sinai, Egypt. We selected these missions to provide coverage of a broad range of peacekeeping activities based on such factors as size, method of funding, and date of inception. Our review did not attempt to assess how effectively U.N. and other international organizations' peacekeeping activities achieved their objectives.

We reviewed the process for establishing and implementing peacekeeping missions, including the roles played by the Security Council, General Assembly, and various units of the Secretariat. We interviewed U.N. officials responsible for the implementation and oversight of peacekeeping operations and reviewed available reports, records, and other pertinent documents. Because U.N. organizations are outside the scope of our audit authority, our review of U.N. reports and documents was limited to those generally available to member countries. As a result, we did not test internal controls or verify certain data provided by the U.N.

In reviewing the State Department's role in peacekeeping decisions and oversight and DOD assistance to U.N. peacekeeping forces, we examined pertinent records and interviewed cognizant officials at State Department and DOD headquarters and at the U.S. Mission to the U.N. We also reviewed available literature pertaining to the peacekeeping activities of international organizations other than the U.N.

We interviewed officials of the General Assembly's Advisory Committee on Administrative and Budgetary Questions, including the Chairman and members from Finland, Japan, the Russian Republic, the United Kingdom,

and the United States. We also interviewed representatives of nongovernmental organizations, including the Henry L. Stimson Center, the International Peace Academy, and the United Nations Association of the U.S.A., and reviewed relevant reports and studies provided by these sources.

We conducted our review from August 1991 to May 1992 in accordance with generally accepted government auditing standards.

Implementation and Financing of U.N. Peacekeeping Operations

Peacekeeping operations are established by the Security Council and financed with approval of the General Assembly. Thus, peacekeeping operations generally reflect a broad consensus of the international community. Several U.N. organizations review and audit peacekeeping budgets and accounts. Although these reviews provide some oversight of the economy and efficiency of peacekeeping operations, concerns exist regarding the adequacy of General Assembly review mechanisms and the availability of internal audit results.

Peacekeeping operations are financed in one of three ways—regular U.N. budget assessments, voluntary contributions, or special assessments. Each method has different cost implications for the United States, but under the special scale of assessments used since 1973 to fund nearly all peacekeeping operations, the United States pays over 30 percent of total costs. Due to changes in the economic status of certain U.N. member countries, the special scale of assessments may no longer represent an equitable basis for distributing peacekeeping costs.

Establishment and Implementation of Peacekeeping Operations

U.N. peacekeeping operations can be proposed by the U.N. Secretary General or by member countries. The Security Council reviews the request to ensure that it addresses the necessary objectives.¹ Once the mandate of the new operation is approved, the Secretariat develops an operating plan and budget. Several U.N. offices within the Secretariat coordinate with the Security Council and the General Assembly to manage the establishment and implementation of new peacekeeping operations.

Role of Secretariat Offices

The U.N.'s approach to peacekeeping has evolved over time and includes participation by several offices within the Secretariat. The Military Adviser to the Secretary General assists the Security Council and the Secretary General by identifying the military implications of proposed peacekeeping mandates. Once the strength and composition of the peacekeeping force are determined, the Department of Peacekeeping Operations solicits member countries to contribute troops and/or observers and the Office of Legal Affairs negotiates agreements with host countries to secure traditional diplomatic privileges and immunities and in-kind contributions.

¹The United States and other permanent members of the Security Council (China, France, the Russian Federation, and the United Kingdom) can veto the establishment of any new operation.

Following Security Council approval of the peacekeeping mission, the Field Operations Division (located within the Department of Administration and Management) plans and deploys the operation. The Division's sections for budget and finance, logistics and communications, and personnel support activities in the field. In addition, the Division maintains a limited storage and maintenance facility in Pisa, Italy. This facility also serves as a trans-shipment point for equipment bound for peacekeeping locations. The Division, in consultation with the Military Adviser, develops a detailed implementation plan and budget, which is submitted to the General Assembly's Advisory Committee on Administrative and Budgetary Questions for review.

General Assembly Role

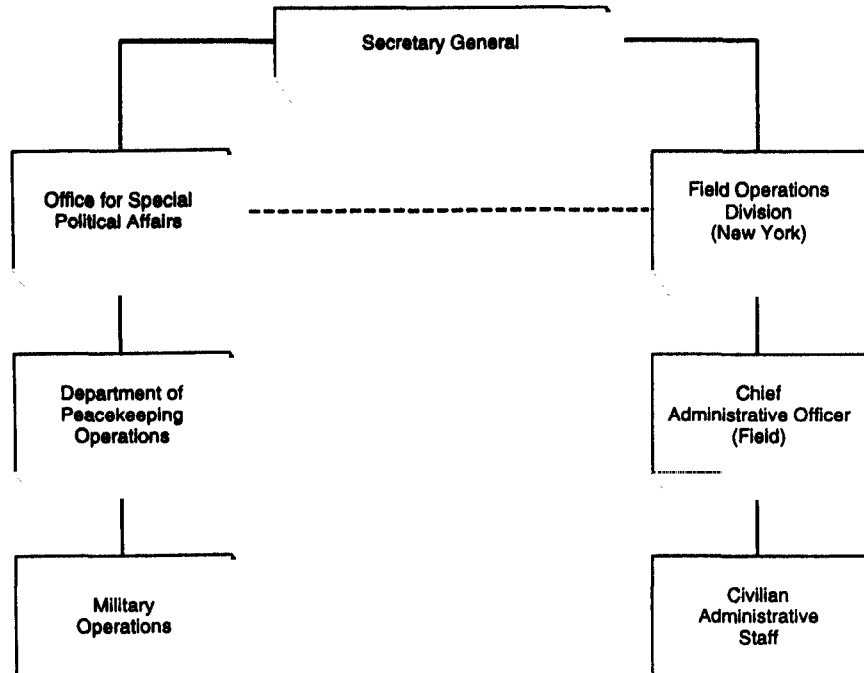
The Advisory Committee on Administrative and Budgetary Questions was established to provide the General Assembly with expert advice on financial matters. The Advisory Committee is comprised of 16 members, including one current member from the United States, who serve in a personal capacity rather than as official representatives of their respective governments. Among other responsibilities, the Advisory Committee is charged with examining peacekeeping budget proposals for reasonableness and cost justification in consultation with the Security Council and Field Operations Division. The Advisory Committee reports the results of its reviews to the General Assembly. The budget proposal is then sent to the Assembly's Fifth Committee (Administrative and Budgetary Committee). This Committee, which is made up of representatives from all member countries, further reviews the budgets along with the Advisory Committee's recommendations. This review is to help ensure that political concerns are addressed. Following Fifth Committee approval, the budget is voted on in the General Assembly. Funds for the peacekeeping operation are then allotted, and member countries are assessed. In commenting on this report, the State Department stated that it is important that there be significant improvement in the formulation of peacekeeping budget estimates by the U.N. Secretariat.

The Secretary General may authorize up to \$3 million annually from a special fund without Advisory Committee or General Assembly approval. In addition, the Advisory Committee can approve expenditures of up to \$10 million to begin peacekeeping operations.

Headquarters and Field Relationships

A dual reporting channel exists between field missions and U.N. headquarters. The force commander or chief military observer is appointed by the Secretary General, with consent of the Security Council. This commander controls the military aspects of the mission and reports directly to the Under Secretary General for Peacekeeping Operations. The Chief Administrative Officer is responsible for the administrative and financial aspects of the operation. This officer is an international civil servant who reports directly to the Director, Field Operations Division. These relationships are illustrated in figure 2.1.

Figure 2.1: Reporting Relationships for U.N. Peacekeeping Operations



Source: The United Nations.

U.N. Review and Reporting Mechanisms

Before renewal of the mandate for each peacekeeping operation, which usually occurs semiannually, the Secretary General reports on the status of the operation and makes recommendations regarding renewal. The Security Council reviews these recommendations and determines whether to continue, modify, or terminate the mission's mandate. It should be

noted, however, that two long-standing missions—the U.N. Truce Supervision Organization in Israel and the U.N. Military Observer Group in India and Pakistan—are not subject to these semiannual reviews. Rather, their budgets are included in the regular U.N. budget, which is approved every 2 years.

The Secretary General also reports to the General Assembly annually on the financial performance of each mission. These reports account for funds spent and show the status of allotments, expenditures, and fund balances by budget category and line item. The reports also contain budget requests for the following reporting period and serve as the basis for General Assembly review and approval. As discussed above, the Advisory Committee on Administrative and Budgetary Questions reviews these budget proposals before they are sent to the Assembly for approval.

Several Advisory Committee members told us that the General Assembly's reviews of peacekeeping budgets could be strengthened by devoting more time and resources to its reviews. For example, the U.S. member said that in 1991, the Advisory Committee dedicated over 3 months to review the U.N. regular budget, but spent only 3 days reviewing peacekeeping budgets, even though the total of U.N. peacekeeping budgets for the coming year exceeded the regular budget. She also said that the review process does not adequately examine the methodology used in preparing the budgets or the assumptions underlying the projected costs.

A member from another country told us that the Advisory Committee's structure and procedures are archaic; the Committee has not established specialized working groups and does not deal with issues before it systematically. Nonetheless, he acknowledged that the Advisory Committee's reviews have reduced peacekeeping budgets. This official also said that the Assembly's Fifth Committee does not thoroughly review peacekeeping budgets, but rather relies upon the Advisory Committee's reviews. In this regard, U.S. Mission officials told us that the Fifth Committee approved—based on earlier consultations—eight peacekeeping budgets during the last day of the Fifth Committee's December 1991 session. In view of the increasing cost and complexity of peacekeeping operations, the adequacy of existing General Assembly review mechanisms may need to be reexamined.

Peacekeeping operations are subject to internal and external audits. In 1990 and 1991, the U.N.'s Internal Audit Division audited most peacekeeping operations at headquarters and in the field. Internal Audit

Division officials told us that these audits assess, among other things, the adequacy of internal controls, and make recommendations aimed at safeguarding assets; reducing costs; and preventing waste, fraud, and abuse. U.N. internal audit reports, however, are not made available to member countries. Further, U.S. Mission officials said that the Audit Division is located at too low a level within the organization and is not sufficiently staffed to ensure adequate audit coverage of peacekeeping operations.

The U.N. Board of Auditors, comprised of representatives and audit teams from three countries appointed by the General Assembly, performs independent external financial audits of U.N. activities. The Board's reports express an opinion on whether the financial statements fairly present the financial position of the organization. Biennial financial audit reports are issued to the General Assembly and are available to member countries.

A Board representative told us that as part of its U.N. financial audit for the 2-year period ending December 31, 1991, the Board audited all but two peacekeeping missions. The Board prepared management letters for the Secretary General on the results of each peacekeeping audit, but these management letters were not available to member countries or to us. Additionally, the Board has performed two special audits of the U.N. Transition Assistance Group in Namibia at the request of the General Assembly.

Because of the increased importance of peacekeeping activities, the General Assembly passed a resolution in 1991 requesting that the Board of Auditors expand its audit coverage of peacekeeping activities. Prior financial reports by the Board included only very significant peacekeeping findings as they related to overall financial management and control issues. However, in its audit report for the biennium ending December 31, 1991, scheduled for release in September 1992, the Board plans to include a separate section highlighting its peacekeeping reviews.

In addition to the above review mechanisms, the Special Committee on Peacekeeping Operations was established by the General Assembly to discuss and recommend to the Secretary General ways to improve the readiness of U.N. peacekeeping forces. The Committee is comprised of representatives from 34 member countries, including the United States. The State Department has supported several of the Committee's initiatives to improve peacekeeping operations, including the establishment of a registry of nations capable of providing troops, material, and technical

resources. State has also advised the U.N. of the U.S. government's willingness, in principle, to provide a range of military assets as part of its assistance.

Financing Peacekeeping Operations

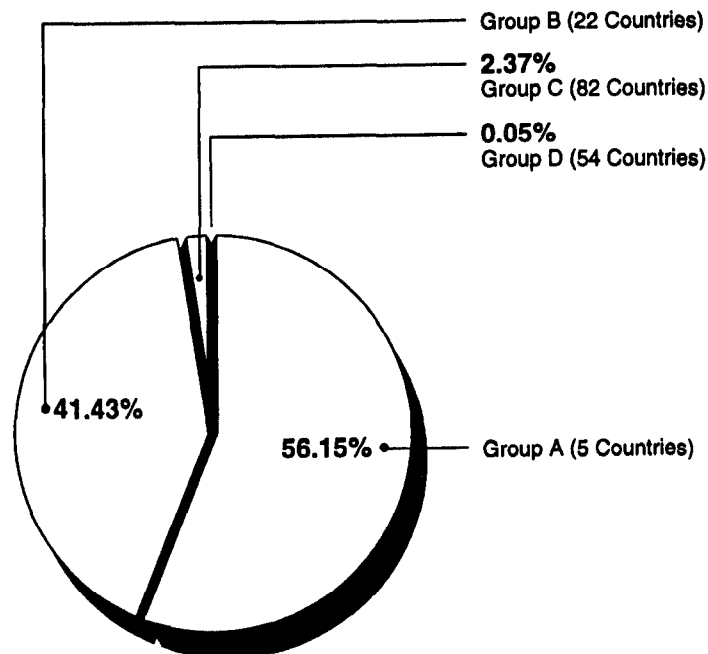
The United Nations Participation Act of 1945 and the Foreign Assistance Act of 1961 provide appropriation authority to contribute to U.N. peacekeeping activities. The U.N. peacekeeping operations are currently financed in three ways. First, two long-standing operations—the U.N. Truce Supervision Organization in Israel and surrounding countries and the U.N. Military Observer Group in India and Pakistan—are financed through the regular U.N. budget. The U.S. assessment for these operations is 25 percent. Second, the U.N. Peacekeeping Force in Cyprus is currently the only peacekeeping operation financed by voluntary contributions. U.S. contributions for this force have averaged about 30 percent of total costs. Third, all other ongoing peacekeeping operations are funded through special assessments; the five permanent Security Council members pay a higher percentage of costs than their normal U.N. assessment. The United States is assessed for 30.4 percent of these peacekeeping costs.

Each year, the Congress appropriates funds for most U.N. peacekeeping operations under the State Department's International Organizations and Conferences: Contributions to International Peacekeeping Activities account. U.S. voluntary contributions for the U.N. force in Cyprus are appropriated through the Security Assistance Programs: Peacekeeping Operations account. In 1992, the United States paid \$236.9 million for U.N. peacekeeping assessments billed through June 10, 1992, leaving U.S. peacekeeping arrearages of \$104.4 million. These arrearages principally relate to payments withheld from the U.N. Interim Force in Lebanon. Between 1986 and 1989, the Congress reduced appropriations for U.S. contributions to this Force because, among other things, Congress was concerned about its effectiveness. The U.N. has begun to address these concerns, and the administration's plan calls for paying these arrearages by the end of fiscal year 1995. State made the first payment of \$24.3 million in fiscal year 1991 and expects to make payments of \$38.4 million during fiscal year 1992.

Special Assessment Scale

In 1973, the U.N. began using the special assessment method of financing peacekeeping operations to avoid depleting the U.N. regular budget. Under the special assessment scale, member countries are placed into one of four assessment groups. Peacekeeping costs are allocated to member countries within these groups based on a percentage of their regular U.N. budget assessment. Figure 2.2 shows the percentage of costs paid by each group.

Figure 2.2: Peacekeeping Contributions Paid Under the Special Assessment Scale



Source: United Nations

Countries in group A, comprised of the five permanent Security Council members, pay approximately 22 percent more than their regular U.N. budget assessment. This represents a redistribution to these Security Council members of reductions in peacekeeping assessments given to developing countries. Prior to 1973, voluntary contributions from wealthier countries had been used to offset the assessments of poorer countries. It was argued that since the five permanent Security Council members have greater influence and veto power over Council decisions, they should bear more financial responsibility. The 22 developed countries in group B are assessed at the same rate as their regular U.N. budget assessment. The 82 developing countries in group C pay one-fifth of their

regular budget assessment, and the remaining 54 developing countries (specifically designated as least economically developed countries) are assessed at one-tenth of their regular budget scale. Appendix I shows the countries within each group along with their assessment percentages under the regular U.N. budget and peacekeeping scales, and appendix II provides a summary of elements used in computing U.N. regular budget assessments.

We did not perform a detailed analysis of changes in the relative economic status of all U.N. member countries and related assessment scale decisions. However, available data show that the relative position of certain countries has changed since the special assessment scale was instituted. For example, in 1970, 3 years before the special scale went into effect, the gross national product of the United States represented about 31.7 percent of the total gross national product of all countries, whereas by 1989 the United States' share had declined to 25.4 percent.

According to a recent study by the Henry L. Stimson Center, a Washington-based research and public education organization founded in 1989, the regular U.N. budget scale, which is based on adjusted national income, already places a steeply progressive burden on developed countries.² The study noted that 15 countries in group C, including Cyprus, Israel, Kuwait, and Saudi Arabia, have per-capita gross national products ranging from \$5,200 to more than \$18,000, and could therefore assume a greater share of financial responsibility.³ Further, several of these group C countries are direct beneficiaries of U.N. peacekeeping operations.

As of 1989, the World Bank categorized 20 countries (included in group C by the U.N.) as having "upper middle income" and "high income" economies with per-capita gross national products ranging from \$2,460 to \$18,430. In addition, five other group C countries had per-capita gross national products in 1989 ranging from \$4,230 to \$15,500 but were not included in the above income categories because they had populations of less than 1 million.

According to a State Department official, the special scale of peacekeeping assessments has been followed since 1973 based on historical and political precedent. Nothing in the U.N. charter prohibits changing the scale to reflect a more equitable distribution of costs, but State Department

²William J. Durch and Barry M. Blechman, Keeping The Peace: The United Nations In The Emerging World Order, The Henry L. Stimson Center, (Washington, D.C.: Mar. 1992).

³The per-capita gross national product of the United States was \$21,000 in 1989.

officials said that such a change would be politically difficult to accomplish. In March 1992 congressional testimony, the Secretary of State indicated a willingness to review the U.S. peacekeeping assessment.

Conclusions

The U.N.'s peacekeeping authorization process has evolved over time and includes participation of the Security Council, the General Assembly, and several offices within the Secretariat. Thus, U.N. peacekeeping operations are established and implemented with the broad support of the international community. However, U.N. financial oversight of peacekeeping operations could be strengthened. The U.N. Board of Auditors has been requested to expand its coverage of peacekeeping operations, and beginning in 1992 the Board will separately report on its peacekeeping reviews. Concerns have also been raised about the adequacy of General Assembly budget reviews and the lack of information available to member countries on internal audits of peacekeeping operations.

Since 1973, nearly all peacekeeping operations have been funded by a special scale of assessments whereby the United States pays 30.4 percent of total costs. With the growing number and cost of peacekeeping operations, this assessment scale places a significant financial burden on the United States at a time when other countries may have a greater capacity to share in peacekeeping costs.

Recommendations

We recommend that the Secretary of State instruct the U.S. Representative to the U.N. to seek support for (1) examining the adequacy of the processes and resources used by General Assembly committees in reviewing peacekeeping budgets, (2) requiring that the Secretary General periodically report to member countries on the status of principal internal audit findings and recommendations regarding peacekeeping operations, and (3) re-examining the basis for, and equity of, the special U.N. assessment scale for peacekeeping operations.

Agency Comments

The Department of State agreed with our recommendations, but said that in its view, it is even more important that there be significant improvement in the Secretariat's formulation of budget estimates for peacekeeping operations and that it would address this point as well in implementing our recommendation.

State agreed to seek support for requiring periodic reporting of internal audit results to member countries. It said that it would find such periodic reporting useful. State said that a re-examination of the special U.N. assessment scale for peacekeeping operations is underway.

Department of State Management of U.S. Interests in Peacekeeping Activities

While the U.N. Secretariat and General Assembly committees have primary responsibility for financial oversight of peacekeeping activities, the Department of State is responsible for ensuring that U.S. interests in these activities are considered. The United States has a large stake in peacekeeping operations given its foreign policy interests and large contributions. It is also in the U.S. interest to ensure that peacekeeping operations are carried out economically and efficiently. The State Department protects these interests primarily through its participation in U.N. Security Council and General Assembly decisions affecting peacekeeping mandates and budgets. However, the State Department has not monitored the economy and efficiency of peacekeeping operations at the field level.

State Management and Decision-Making Processes

The State Department provides input to U.S. positions on peacekeeping reauthorization issues in the Security Council and decisions on budgetary issues in the General Assembly. State manages U.S. interests principally through its participation in the Security Council and in General Assembly financial and budgetary committees. State's Bureau for International Organization Affairs is responsible for overseeing U.S. interests in U.N. peacekeeping. With assistance from the Department's geographic bureaus and the U.S. Mission to the U.N., the Bureau monitors both the political and financial aspects of U.N. peacekeeping activities.

The Bureau's peacekeeping management responsibilities are divided between its Offices of U.N. Political Affairs and U.N. System Administration. Similarly, within the U.S. Mission, peacekeeping management is functionally divided between the political and resources management sections. The U.N. Political Affairs Office reviews political aspects of establishing and reauthorizing peacekeeping in the General Assembly and the Security Council and provides guidance to the U.S. Mission to the U.N.

The Office of U.N. System Administration establishes U.S. policy positions on U.N. administrative, financial management, and coordination issues. Its activities include reviewing performance, budget, and other U.N. reports available for each assessed peacekeeping operation. The Office consults regularly with U.S. representatives to the General Assembly committees responsible for financial and budgetary oversight. State's management of U.S. interests does not, however, incorporate U.N. internal audit results because this information is not available to U.N. member countries.

The Bureau's activities result in decisions on whether to support the reauthorization of peacekeeping mandates and approval of peacekeeping budgets. The Bureau, in consultation with other State Department offices, drafts instructions to U.S. representatives on how to vote on mission renewal and financing questions.

As indicated above, there is a clear division between financial management and political decision-making within the State Department. State has recognized the need for coordination of these two functions. In an April 1991 speech, the Assistant Secretary of State for International Organization Affairs stressed the need for sound management and budget principles with respect to U.N. peacekeeping.¹ He said that while peacekeeping budgets have a political dimension that reflects the concerns of member countries as well as the priorities of the U.N., these political considerations do not negate the need for ensuring efficient use of available resources. While this position reflects the importance of coordinating political and financial objectives both in the U.N. and within the State Department, some State financial managers believe that coordination could be improved.

State Does Not Conduct Field-level Monitoring

During our field visits to peacekeeping activities in the Middle East and Central America, we identified certain areas of opportunity to reduce costs and improve efficiency. State has not systematically monitored the economy and efficiency of peacekeeping operations at the field level, and as a result, has not maximized opportunities to identify potential cost reductions. Although State officials agree that field-level monitoring is desirable, they said it was not being performed by State because of resource constraints and because peacekeeping costs have only recently become very significant.

During our field work, we noted several situations where it appeared the economy and efficiency of peacekeeping operations could have been improved; these situations particularly underscore the importance of State field-level monitoring of these activities. For example, peacekeeping experts we met with in the Middle East told us that the activities of the United Nations Truce Supervision Organization (UNTSO) duplicate those of the Multinational Force and Observers (MFO) in the Sinai. They questioned

¹Speech of John R. Bolton, Assistant Secretary of State for International Organization Affairs, entitled "The Concept of the Unitary United Nations: Further Steps for Collective Action," delivered to the Geneva Group Consultative Level Meeting, Geneva, Switzerland (Apr. 11-12, 1991).

why the U.N. should maintain 54 military observers in the Sinai at a cost of over \$1.5 million annually when peacekeeping between Egypt and Israel is the mandated responsibility of the 2,200-member MFO. (See chapter 5 for further discussion of MFO's peacekeeping role.) An UNTSO official told us that UNTSO observers provide a U.N. presence in the Sinai but do not have a formal peacekeeping role. State International Organizations Bureau officials told us that they were unaware of this apparent overlap of UNTSO and MFO roles in the Sinai.

A command official of the U.N. Disengagement Observer Force (UNDOF) also questioned UNTSO's observer role in the Golan Heights. UNTSO observers assist UNDOF in monitoring areas of separation between Israel and Syria, but this official told us that the Force could assume the support roles now performed by UNTSO observers. He also said that the Force could be reduced in size without impairing its operational effectiveness but that any such reduction would have to be directed by U.N. headquarters. Subsequent to our field visits, a U.N. Secretariat official informed us that efforts were underway to reduce the operating costs of both UNTSO and UNDOF.

During our field visits, we identified instances where countries hosting peacekeeping operations did not abide by U.N. agreements or honor U.N. diplomatic privileges and immunities. Before deploying a peacekeeping operation, the U.N. generally negotiates status of forces agreements with host countries that provide for, among other things, the contribution of office space and living quarters at no charge. The U.N., however, does not always conclude host country agreements, and host countries do not always comply with those agreements negotiated. For example, the U.N. has not negotiated host country agreements for UNDOF, UNTSO, or for the U.N. Iraq-Kuwait Observation Mission. Further, U.N. officials told us that the U.N. was paying rent for a Central American mission headquarters, despite the host country's agreement to provide the facilities free of charge. Also, host countries do not consistently extend those diplomatic privileges and immunities to which the U.N. is entitled under the 1946 "Convention on Privileges and Immunities of the United Nations." A U.N. Chief Administrative Officer told us that the U.N. is paying a value-added tax on goods imported into a Middle Eastern country hosting a mission, even though the Convention provides for exemption from such taxes.

We also noted that contracting for support services at peacekeeping locations may be more cost-effective than maintaining in-house capability. MFO officials told us that contracting out for nearly all support services

resulted in significant cost savings. For example, through competitive bidding and increased use of local subcontractors, MFO reduced the cost of support services in 1985 by more than \$9 million, or 42 percent. U.N. missions we visited contracted out services to varying degrees, but at UNTSO, we observed that U.N. staff performed virtually all services, including cleaning, catering, and vehicle maintenance. According to the Chief Administrative Officer, UNTSO was considering contracting out some of these services. Although not directly comparable, these different approaches suggest that further contracting of peacekeeping support services might be cost-effective. Because circumstances differ from mission to mission, individual cost analyses would be required to determine the relative cost-effectiveness of contracting out versus performing the support services in house.

Conclusions

Given the significance of U.S. peacekeeping contributions, the State Department has a responsibility for ensuring that U.S.-provided resources are well spent. To accomplish this, the State Department should have direct knowledge about the operations of peacekeeping missions to have some assurance that they are being operated efficiently.

During our visits to peacekeeping locations, we observed potential opportunities for improving the economy and efficiency of operations that State Department field monitoring also might have identified. Although our observations do not conclusively demonstrate the need for specific changes in U.N. peacekeeping operations, they do underscore the importance of field-level monitoring.

Recommendation

We recommend that the Secretary of State incorporate field-level monitoring into State's management of U.S. interests in U.N. peacekeeping activities to identify opportunities, and where appropriate, recommend improvements to the economy and efficiency of peacekeeping operations. We further recommend that, when conducting field-level monitoring of peacekeeping activities involving Department of Defense personnel or resources, State consult with DOD to afford its officials an opportunity to participate in this monitoring.

Agency Comments

The Department of State agreed that periodic field-level monitoring of peacekeeping operations would be helpful to its management of U.S. interests in U.N. peacekeeping activities. State said that it will attempt to implement a mechanism for accomplishing this, subject to the availability of resources. DOD also agreed that field monitoring would be useful and suggested that it should participate in such monitoring where DOD personnel or resources are involved in a peacekeeping mission. We agree with DOD on this matter and have revised our recommendation accordingly.

Department of Defense Contributions to U.N. Peacekeeping Activities

The Department of Defense has supported U.N. peacekeeping forces since 1948 when the first U.N. peacekeeping mission—the U.N. Truce Supervision Organization—was established to monitor cease-fires along Israeli borders. Since then, at the request of the U.N. Secretary General, DOD has furnished supplies, equipment, military airlift and sealift, and logistics support. DOD has also detailed U.S. military planners to U.N. headquarters and has sent military observers to U.N. missions in Africa, Asia, and the Middle East.

Due to the recent surge in peacekeeping requirements, U.N. requests for DOD assistance have expanded. However, DOD procedures for providing logistical support are outdated. Additionally, because DOD absorbs peacekeeping costs within existing budgets, it has not been required to implement the systems and controls needed to track and report expenses incurred. As a result, DOD has not billed the U.N. for certain reimbursable costs and does not know the full value of the assistance it has provided. Moreover, at the time of our review, DOD and State disagreed about reimbursement policies for airlift services.

Basis and Authority for U.S. Military Assistance

Article 43 of the U.N. charter, June 1945, called for all member states to make armed forces available to the Security Council to maintain international peace and security. The Congress, in turn, granted the President authority under section 7 of the U.N. Participation Act of 1945 (P.L. 79-264), as amended, to detail up to 1,000 U.S. armed forces personnel to the U.N. in any noncombatant capacity and to furnish and/or loan facilities, services, supplies, and equipment to the U.N. Under a delegation of presidential authority set forth in Executive Order 10206, dated January 19, 1951, the Secretary of State, upon request by the U.N. for cooperative action, can ask the Secretary of Defense to detail personnel to the U.N. and furnish other needed assistance. The law and Executive Order require U.N. reimbursement to DOD for expenses incurred but provide that the Secretary of State, after consulting with the Secretary of Defense, may waive this requirement, in whole or in part, under exceptional circumstances or when it is in the national interest.

Upon approving U.N. requests for cooperative action, the Secretary of State sends a letter to the Secretary of Defense requesting the necessary assistance. The Secretary of Defense then forwards a memorandum for the Chairman of the Joint Chiefs of Staff and other DOD officials authorizing the detail of personnel and/or the furnishing of facilities, services, supplies, equipment, and other assistance. The memorandum usually designates an Executive Agent for the particular U.N. mission (the Department of the

Army has been designated for nearly all current missions), delegates authority to the military departments and components, and establishes the obligation authority available to provide the assistance. Since there is no DOD appropriation line item for support of peacekeeping forces, each U.N. request (for which reimbursement from the U.N. is to be waived) is handled on a case-by-case basis, with budget authority for this assistance coming from the military departments' budgets. As of July 1992, 135 U.S. military personnel were assigned to U.N. peacekeeping missions in Cambodia, the Middle East, and the Western Sahara. DOD also supports the Multinational Force and Observers, a non-U.N. peacekeeping operation located in the Sinai Peninsula. This peacekeeping operation is discussed in chapter 5.

DOD logistics support is also provided to the U.N. on a reimbursable basis under authority provided by section 607 of the Foreign Assistance Act. Using DOD's U.N. Letter of Assistance process, the U.N. can directly requisition supplies for approved peacekeeping operations through the Office of the Military Adviser located at the U.S. Mission to the United Nations. As discussed below, DOD procedures for providing support to the U.N. were outdated at the time of our review.

Defense Monitoring of Peacekeeping Contributions Could Be Improved

DOD policies and procedures for providing assistance to U.N. peacekeeping forces and monitoring related costs have not kept pace with the recent expansion of U.N. requests for Defense assistance. The following conditions existed at the time of our review:

- DOD lacked any specific requirements to formally monitor and account for costs incurred for U.N. peacekeeping assistance.
- DOD regulations did not impose appropriate limitations on per diem allowances paid to U.S. military personnel who also received U.N. subsistence payments.
- DOD policies and procedures for providing logistics support to U.N. peacekeeping forces were out of date and not always adhered to.

Defense Lacks Up-to-date Policies and Procedures to Track and Report Peacekeeping Assistance

We were unable to identify the costs associated with DOD assistance to U.N. peacekeeping forces because DOD does not have any specific requirements to account for assistance or report on costs incurred. DOD could not provide us with complete cost data because such information was not centrally reported and had to be gathered from several sources. Moreover, the cost information provided varied from mission to mission and did not include personnel costs of military observers because the military

departments absorb these costs. As a result, DOD has not determined the value of its contributions to U.N. peacekeeping or reported on the costs it has incurred.

DOD Regulations Changed to Limit U.S. Per Diem Payments

We identified a weakness in DOD regulations governing the payment of subsistence allowances to U.S. military personnel assigned to U.N. peacekeeping forces. Regulations in place at the time of our review permitted the military services to pay full per diem allowances to military personnel who were also receiving U.N. subsistence payments, thus permitting U.S. military personnel on temporary assignment with the U.N. to receive both U.N. and U.S. subsistence allowances. DOD revised the Joint Federal Travel Regulation in March 1992 to limit the combined U.N. and U.S. government per diem allowances to the amounts allowed for U.S. government travel.

DOD Logistics Support Procedures Are Outdated

Some DOD policies and procedures for providing logistics support to U.N. peacekeeping forces are outdated. As a result, financial reports of U.N. logistics support activities are not prepared as required, and reimbursable costs are not always billed to the U.N. for payment.

The Department of the Army serves as the Executive Agent for coordinating and providing logistics support to U.N. peacekeeping forces. Army's Pamphlet 700-15, "Logistics Support of U.N. Peacekeeping Forces," May 1, 1986, contains procedures for providing logistics support under U.N. Letters of Assistance and for obtaining reimbursement from the U.N, but parts of the pamphlet are outdated. Certain organizations have changed, and some of the procedures outlined are no longer followed. For example, annual financial reports required by the pamphlet were not prepared in 1990 and 1991 because the Army component responsible for their preparation no longer exists. As a result, DOD managers may not have all the current information necessary to oversee the financial aspects of peacekeeping logistics support.

Further, DOD did not adequately process and control reimbursement claims for transportation costs and defense items shipped to the U.N. The U.S. Mission to the U.N., which monitors such claims, reported more than 100 outstanding U.N. claims as of January 1992. These claims, valued at approximately \$440,000, were outstanding because DOD had not properly billed the U.N. for payment.

Defense and State Disagree on Reimbursement for Airlift Services

Historically, DOD has provided airlift services to the U.N. without charge because the Secretary of State determined such services to be in the U.S. national interest and waived reimbursement from the U.N. The costs of airlift services provided to the U.N. were traditionally absorbed by the Air Force Military Airlift Command Industrial Fund. This voluntary contribution arrangement was discontinued in 1989, when the State Department asked that the U.N. credit its peacekeeping assessment for the value of DOD airlift services provided to the U.N. Iran-Iraq Military Observer Group. The U.N. credited approximately \$7 million against the U.S. assessment for this mission, but State did not reimburse DOD for any of this amount. DOD subsequently provided about \$6 million in airlift services to U.N. peacekeeping forces between 1989 and 1991. Again, the U.N. credited the value of this contribution against U.S. peacekeeping assessments, but to date, State has not reimbursed DOD for any of the costs incurred.

A DOD official told us that attempts to resolve this issue with the State Department have been unsuccessful and that credits against U.S. peacekeeping assessments effectively represent transfers of funds from DOD to State. Under section 551 of the Foreign Assistance Act, State is permitted to reimburse Defense up to \$5 million annually for costs incurred pursuant to the U.N. Participation Act.

A State Department official told us that State's policy of not reimbursing DOD for the value of airlift services credited against U.S. assessments is predicated on State's not having sufficient appropriated funds to pay all of its peacekeeping assessments.

In early 1992, the U.N. requested U.S. assistance for the military airlift of equipment to Cambodia on or about February 15, 1992. DOD requested State approval for the airlift to be processed under a U.N. Letter of Assistance, whereby the U.N. would directly reimburse DOD for the approximately \$350,000 airlift costs. According to the U.S. Military Adviser, State was willing to approve this airlift request, but only if DOD agreed to State's request to waive U.N. reimbursement as permitted by the U.N. Participation Act, so that State could request the U.N. to credit the value of this support against the U.S. peacekeeping assessment. A State official told us that the decision was referred to the Secretary of State and that State advised the U.N. that its airlift request could not be accommodated in the time frame requested. The U.S. Military Adviser told us that the U.N. consequently arranged alternative transportation for this shipment. The disagreement between DOD and State over reimbursement

for the airlift was a factor in the U.S. inability to accommodate the U.N. request.

As of July 1992, State was still considering alternative authorities for providing such assistance in the future, including authority under (1) the U.N. Participation Act, which permits State and Defense to waive reimbursement from the U.N.; (2) the Foreign Assistance Act, which authorizes routine reimbursable U.N. Letter of Assistance procurements of supplies and equipment; and (3) the Arms Export Control Act, which is used for reimbursable foreign military sales. State has recognized that tight fiscal circumstances may limit DOD's ability to meet future U.N. needs without reimbursement.

Conclusions

The Department of Defense lacks any requirements to formally monitor and account for its peacekeeping participation and assistance. Further, some of its policies and procedures for providing logistics support to the U.N. are partially outdated and are not always followed. As a result, DOD has not tracked the value of its peacekeeping contributions or reported on costs incurred. Given the increasing demands for DOD assistance to peacekeeping operations, it is essential that the full value of these contributions be accurately determined and reported.

DOD and the State Department disagree about reimbursement policies relating to DOD airlift assistance to the U.N. If not resolved, this disagreement could affect U.S. responsiveness to future U.N. requests for airlift assistance.

Recommendations

We recommend that the Secretary of Defense

- account for and report DOD peacekeeping assistance to ensure that the United States receives recognition for its peacekeeping contributions, including personnel costs, per diem, transportation, and other related costs, and
- update policies and procedures for providing DOD logistics support to U.N. peacekeeping forces and ensure that (1) reimbursable costs are properly billed and controlled and (2) required financial activity reports are prepared and distributed.

We further recommend that the Secretaries of State and Defense resolve peacekeeping reimbursement issues so that the United States can respond more quickly to U.N. airlift requests.

Agency Comments

DOD generally agreed with our findings and recommendations, but stated that in some cases the findings were overstated, particularly our findings related to DOD's procedures for monitoring and accounting for its participation in U.N. peacekeeping activities. DOD stated that it does lack the capability to monitor and account for such costs, but that accumulating such data had not been a requirement. DOD further stated that the expansion of its support to U.N. peacekeeping has created a new requirement to monitor and account for DOD assistance, and it has recently initiated reporting procedures and instructions to track and monitor costs of individual peacekeeping missions. We agree that DOD has not been formally required to monitor and report on such costs, and we have modified our report accordingly. DOD said that it will be reporting on a monthly basis. However, DOD provided no evidence that it currently has this capability, and we found during our review that it could not provide complete cost data on DOD's participation in U.N. peacekeeping operations.

DOD agreed to update its policies and procedures for providing logistics support to U.N. peacekeeping forces, but noted that many of the procedures contained in Army Pamphlet 700-15 remain valid. DOD also noted that the annual financial reports called for by this guidance would not provide DOD managers with pertinent detailed financial information necessary for planning purposes and/or oversight. DOD stated that financial data on peacekeeping support has been available from various sources other than those outlined in Pamphlet 700-15; nevertheless, it said that this situation should be corrected by recently issued guidance from the DOD Comptroller regarding monitoring and reporting of costs.

DOD said that it recognized in November 1991 that there was a need for an audit of support activities for U.N. peacekeeping operations, including a review of procedures for payment of per diem to military observers detailed to peacekeeping missions. It said that this was part of an overall audit plan for calendar year 1992. DOD acknowledged that while it was generally aware that the issue of per diem payments needed to be reviewed before it first met with us, the regulations were not changed until February 1992, after we had focused its attention on this matter.

Both DOD and the State Department agreed that peacekeeping reimbursement issues need to be resolved so that the United States can respond more quickly to U.N. airlift requests and stated that consultations on this matter will continue.

Peacekeeping Roles of Other International Organizations

Chapter 8 of the U.N. charter stipulates that regional organizations shall make every effort to settle local disputes before referring them to the Security Council. The charter also directs the Security Council to encourage the use of regional arrangements to resolve local disputes, and where appropriate, to utilize regional arrangements for enforcement action under the Council's authority.

Several regional and international organizations have had peacekeeping roles in regional conflicts. The United States actively supports regional peacekeeping arrangements, and the international community may increasingly look to regional organizations as a means of sharing the peacekeeping burden now placed on the U.N. Notwithstanding this support, there are both advantages and disadvantages associated with the use of regional organizations in peacekeeping.

Peacekeeping Roles Played by Selected International Organizations

We identified six organizations that have had roles in helping to resolve regional conflicts—the Association of Southeast Asian Nations, the Conference On Security and Cooperation in Europe, the Economic Community of West African States, the Multinational Force and Observers, the Organization of American States, and the Organization of African Unity. Four of these organizations have participated in peacemaking and election monitoring activities within the context of their regional mandates, whereas two of the organizations are currently engaged in peacekeeping operations. The following information was compiled from available literature on the organizations' activities and interviews with cognizant State Department officials.

Conference on Security and Cooperation in Europe

The Conference on Security and Cooperation in Europe, comprised of 51 members, including the United States, was established in 1972. In 1975, the Conference adopted principles concerning human rights, self-determination, and inter-relations of participant states. The Conference played a role in the series of peacemaking efforts to diffuse the crisis in Yugoslavia. Its initial peacemaking efforts in Yugoslavia, as well as coordinated mediation efforts by the European Community, were unsuccessful in bringing about a lasting cease-fire. Ultimately, the U.N. negotiated arrangements for a general settlement of the crisis, and the Security Council approved a peacekeeping mission in Yugoslavia. The terms of the settlement included agreement to follow human rights principles embodied in Conference documents and to base relations

between the republics on the Conference's commitments. As of April 1992, the U.N.-negotiated settlement was not fully implemented.

State Department officials told us that the Conference on Security and Cooperation in Europe does not currently have the mandate or the capacity to undertake peacekeeping operations. They believe, however, that the Conference can play a role in addressing future security concerns of a regional nature either in a peacemaking or policy coordination role.

**Association of Southeast
Asian Nations**

Comprised of six noncommunist Southeast Asian countries, the Association of Southeast Asian Nations was established in 1967 to provide a framework for regional cooperation to accelerate economic growth and social progress and to promote regional peace and stability. The United States has bilateral security arrangements with two Association members—the Philippines and Thailand. Although the Association was established principally as an economic, social, and cultural forum, it has since played a major political role in bringing about the withdrawal of Vietnamese troops from Cambodia and the adoption of a comprehensive Cambodian peace plan.

The common challenge to regional security posed by the events in Indochina stimulated closer political cohesion among the Association's member countries. The war in Cambodia and the resulting flood of refugees into Thailand raised challenges to regional security that the Association collectively moved to counter. Since 1978, it has led political initiatives in the United Nations and other forums to oppose Vietnam's occupation of Cambodia. At the Association's request, the U.N. convened the first International Conference on Kampuchea in 1981. The 93 nations attending the conference unanimously approved a declaration embodying the principles on which a settlement to establish an independent and neutral Cambodia would be based. Since then the Association has won increasing support for a U.N.-sponsored peace settlement, and in 1990 the Security Council took responsibility for this issue. In October 1991, the parties to the conflict finally reached agreement on a comprehensive U.N. peace plan for Cambodia, and on February 19, 1992, U.N. peacekeeping operations commenced.

Economic Community of West African States

The Economic Community of West African States, whose membership is comprised of 16 West African countries, including Liberia, was established in 1975 to promote regional economic cooperation and development. It recently negotiated a cease-fire in Liberia and sponsored the deployment of regional forces to keep the peace.

In 1981, 13 Community members signed a protocol on mutual defense assistance, and in 1990 it formed a standing mediation committee to mediate in disputes between members. In July 1990, after initial attempts to mediate the conflict, the Community sent a 4,000-troop monitoring group to Liberia to try to bring about a cease-fire between rival factions and to restore public order. The monitoring group, drawn from and supported by the six West African countries, was subsequently increased to 8,000 troops. According to a State Department report, the monitoring group's presence has facilitated an October 1991 cease-fire accord and negotiations for free and fair elections. As of May 1992, however, the cease-fire accord has not been fully implemented.

The State Department reports that this regional initiative is an important precedent in responding to African conflicts with African solutions. The Economic Community of West African States has a charter and structure to carry out peacekeeping activities, and State officials told us that U.S. policy is to completely support its efforts. The United States has provided over \$15 million of assistance to this peacekeeping operation and would like the Community to grow stronger.

Organization of African Unity

The Organization of African Unity, consisting of 51 member countries, was established in 1963 to promote unity and cooperation among African nations. It has worked actively to settle disputes among its members and has supported peacemaking initiatives of the United Nations and subregional organizations such as the Economic Community of West African States. In late 1981, the Organization sent a peacekeeping force to Chad. The force was unable, however, to enforce a political settlement and was withdrawn in 1982 due to a lack of funds. In 1982, the Organization also attempted to negotiate a cease-fire in the Western Sahara. More recently, in 1989, it mediated a border dispute between Mauritania and Senegal. It has also been active in monitoring the Namibia independence process and political events in South Africa. According to U.N. reports, the crisis in Somalia as well as the peacekeeping operations in Africa, including the U.N. missions in Angola and in the Western Sahara, are being coordinated with the Organization.

An official in the State Department's Bureau for African Affairs told us that the Organization has served as a catalyst in settling African disputes and has supported the peacemaking activities of other organizations such as the Economic Community of West African States. He commented that the Organization of African Unity's support is essential because it helps to ensure broad African support for a peacemaking initiative. Another official in the Bureau, however, said that the Organization has the potential to be a catalyst but has not yet reached that point. Moreover, a U.N. official indicated that the Organization's peacekeeping efforts have been hindered by the lack of resources to support a central command. The United States does not contribute to the Organization of African Unity but supports many of its members on a bilateral basis.

Organization of American States

The Organization of American States was established in 1948 to promote representative democracy and strengthen the peace and security in the hemisphere and to ensure the peaceful settlement of disputes among its 35 member countries, including the United States. It has a long history of involvement in peacemaking and peacekeeping activities and democratization programs.

In 1965, the Organization of American States formed an Inter-American Peace Force in response to events in the Dominican Republic. In 1969, El Salvador and Honduras called on it to investigate alleged human rights abuses following fighting between the countries. Organization observers also supervised the subsequent cease-fire and exchange of prisoners. In 1985, the Organization's Charter was amended to provide its Secretary General with broader executive powers and greater mediation latitude. In the last several years, the Organization has helped to establish and monitor peace agreements between government forces and rebel groups in El Salvador, Guatemala, Honduras, and Nicaragua (Esquipulas II Agreement). It has also set up a democracy unit within its Secretariat and established a team of observers to monitor elections, including the following:

- In 1990, 433 observers worked with the United Nations to monitor Nicaragua's elections. The Organization also played a mediation role in the 7-month campaign before the vote, and after the election, it assisted in the resettlement of the Nicaraguan resistance fighters.
- In Haiti's 1990 elections, the Organization fielded the largest observer contingent, with 202 observers from 22 countries working in close cooperation with the U.N.

- In El Salvador's March 1991 elections, the Organization of American States was the only international presence with 160 observers. The U.N. did not send observers because of its mediating role, and Organization officers worked with the Electoral Commission and the competing political parties to prepare for and observe the elections.
- The Organization has also observed elections in Costa Rica, Honduras, Panama, Paraguay, and Suriname.

U.S. contributions to the Organization for fiscal years 1989 through 1991 were \$32.9 million, \$43.4 million, and \$50.8 million, respectively. The 1991 amount included a \$7.8-million arrears payment.

Multinational Force and Observers

The Multinational Force and Observers (MFO) was established in August 1981 upon signing of the Protocol to the 1979 Treaty of Peace between Egypt and Israel. The treaty brought an end to the state of war existing between these two countries since 1948, and MFO assumed its peacekeeping responsibilities on April 25, 1982, following the withdrawal of Israeli forces from the Sinai Peninsula. MFO, comprised of approximately 2,100 troops and observers from 11 countries, is an international organization headquartered in Rome. Operating out of two bases in the Sinai, MFO's mission is to supervise and implement key security provisions of the 1979 treaty and annexes.

Egypt, Israel, and the United States contribute equally to MFO's annual operating expenses. MFO also receives contributions from Germany and Japan. After initial start-up costs of approximately \$210 million, MFO's operating budget has declined from about \$105 million in 1983 to \$60 million in 1991. MFO's 1992 budget has been further reduced to about \$56 million; over \$18 million of which is paid by the United States.

State officials told us that in contrast to U.N. operations, which are sometimes set up in a matter of months, MFO took more than a year to become fully operational. Although MFO had high initial start-up costs, over time it has streamlined operations and become more cost-effective. MFO officials in the Sinai stated that the organization's cost-effectiveness can largely be attributed to the Director General's emphasis on economy and efficiency of operations. MFO has reduced its budget by making extensive use of contractor-provided services and by rotating personnel and hiring lower cost equivalents in the open market. According to MFO officials, there is close fiscal oversight and emphasis on efficiency and cost-effectiveness

in MFO operations. This is because MFO is funded primarily by the parties to the treaty, which consequently have a vested interest in reducing costs.

Advantages and Disadvantages Presented by Regional Peacekeeping Activities

The use of regional or international organizations in lieu of or to supplement U.N. peacekeeping forces has both advantages and disadvantages. The U.N. charter stipulates that no enforcement action shall be taken under regional arrangements or by regional agencies without the authorization of the Security Council. Also, the Council is to be kept fully informed of activities undertaken or contemplated by regional organizations. Thus, when formulating peacekeeping plans, the Security Council is supposed to consider what role regional groups should have in a particular peacekeeping arrangement.

Officials from the U.N., State, nongovernment organizations, and other countries' missions to the U.N. expressed varying opinions on the use of regional peacekeeping activities. Some officials told us that regional organizations are more familiar with the issues and cultures of the parties involved in local conflicts. On the other hand, one of the main disadvantages of regional organizations was the perception of bias on the part of some affected parties. This could result in one party withholding consent for the proposed regional peacekeeping arrangement. Another disadvantage is that these organizations lack the structure and resources to carry out peacekeeping operations. We were told, for example, that the Organization of African Unity attempted to take on regional peacekeeping responsibilities, but did not have the resources to support a central command.

An official of one government's mission to the U.N. commented that greater use could be made of regional organizations in peacekeeping, which would reduce the need for U.N. intervention. Further, since the end of the cold war, there may be more opportunities for regional peacekeeping arrangements. State officials also said that regional organizations should be looked to first for regional conflict resolution and that the U.N. should be considered the court of last resort for peacekeeping arrangements. State officials responsible for monitoring the Multinational Force Observers believed that it is feasible for an MFO-type organization to conduct other peacekeeping missions. They said that an advantage of the MFO arrangement is that it is primarily paid for by the affected parties who have a vested interest in minimizing costs.

Other U.N. member countries have also commented on the role of regional organizations in their suggestions to the U.N. Special Committee on Peacekeeping Operations on how peacekeeping operations could be improved. The Special Committee reported to the General Assembly that some delegations drew attention to the important role that regional and subregional organizations could play in peacekeeping. The delegations also maintained that the U.N. should welcome and support regional approaches to the solution of conflicts and pass on its peacekeeping expertise to such organizations. Moreover, a nongovernment organization expert on the U.N. expressed the view that regional arrangements are the last "undiscovered terms" of the U.N. charter, and that in view of the U.N.'s work load, regional organizations could play a greater peacekeeping role in the future.

Conclusions

Other regional and international organizations have complemented U.N. peacemaking and peacekeeping activities with varying degrees of success. As demonstrated by the experiences of MFO and the Organization of American States, regional and international approaches to peacemaking and peacekeeping can be an effective substitute for U.N. arrangements. Regional and other international organizations may be called upon in the future to play an increasingly important role in peacemaking and peacekeeping. While there may be some international support for regional peacekeeping arrangements, this approach may not always be appropriate or feasible. Ultimately, the U.N. Security Council must evaluate its response to each new conflict situation on a case-by-case basis.

U.N. Peacekeeping Assessment Scale—1992

	Percent	
	Regular budget scale	Peacekeeping scale
Group A - Permanent Security Council Members		
China	0.77	0.936
France	6.00	7.293
Russian Federation	9.41	11.437
United Kingdom	5.02	6.102
United States	25.00	30.387
Subtotal group A (5 countries)	46.20	56.155
Group B - Developed industrial countries		
Australia	1.51	1.510
Austria	0.75	0.750
Belarus	0.31	0.310
Belgium	1.06	1.060
Canada	3.11	3.109
Czechoslovakia	0.55	0.550
Denmark	0.65	0.650
Finland	0.57	0.570
Germany	8.93	8.928
Iceland	0.03	0.030
Ireland	0.18	0.180
Italy	4.29	4.289
Japan	12.45	12.447
Liechtenstein	0.01	0.010
Luxembourg	0.06	0.060
Netherlands	1.50	1.500
New Zealand	0.24	0.240
Norway	0.55	0.550
South Africa	0.41	0.410
Spain	1.98	1.979
Sweden	1.11	1.110
Ukraine	1.18	1.180
Subtotal group B (22 countries)	41.43	41.422
Group C - Developing countries		
Albania	0.01	0.002
Algeria	0.16	0.032
Argentina	0.57	0.114
Bahamas	0.02	0.004
Bahrain	0.03	0.006
Barbados	0.01	0.002
Bolivia	0.01	0.002

(continued)

Appendix I
U.N. Peacekeeping Assessment Scale—1992

	Percent	
	Regular budget scale	Peacekeeping scale
Brazil	1.59	0.317
Brunei	0.03	0.006
Bulgaria	0.13	0.026
Cambodia	0.01	0.002
Cameroon	0.01	0.002
Chile	0.08	0.016
Colombia	0.13	0.026
Congo	0.01	0.002
Costa Rica	0.01	0.002
Cote D' Ivoire	0.02	0.004
Cuba	0.09	0.018
Cyprus	0.02	0.004
Dominican Republic	0.02	0.004
Ecuador	0.03	0.006
Egypt	0.07	0.014
El Salvador	0.01	0.002
Fiji	0.01	0.002
Gabon	0.02	0.004
Ghana	0.01	0.002
Greece	0.35	0.070
Guatemala	0.02	0.004
Guyana	0.01	0.002
Honduras	0.01	0.002
Hungary	0.18	0.036
India	0.36	0.072
Indonesia	0.16	0.032
Iran	0.77	0.154
Iraq	0.13	0.026
Israel	0.23	0.046
Jamaica	0.01	0.002
Jordan	0.01	0.002
Kenya	0.01	0.002
North Korea	0.05	0.010
South Korea	0.69	0.138
Kuwait	0.25	0.050
Lebanon	0.01	0.002

(continued)

Appendix I
U.N. Peacekeeping Assessment Scale—1992

	Percent	
	Regular budget scale	Peacekeeping scale
Liberia	0.01	0.002
Libya	0.24	0.048
Madagascar	0.01	0.002
Malaysia	0.12	0.024
Malta	0.01	0.002
Marshall Islands	0.01	0.002
Mauritius	0.01	0.002
Mexico	0.88	0.176
Micronesia	0.01	0.002
Mongolia	0.01	0.002
Morocco	0.03	0.006
Nicaragua	0.01	0.002
Nigeria	0.20	0.040
Oman	0.03	0.006
Pakistan	0.06	0.012
Panama	0.02	0.004
Paraguay	0.02	0.004
Peru	0.06	0.012
Philippines	0.07	0.014
Poland	0.47	0.094
Portugal	0.20	0.040
Qatar	0.05	0.010
Romania	0.17	0.034
Saudi Arabia	0.96	0.192
Singapore	0.12	0.024
Sri Lanka	0.01	0.002
Swaziland	0.01	0.002
Syria	0.04	0.008
Thailand	0.11	0.022
Trinidad and Tobago	0.05	0.010
Tunisia	0.03	0.006
Turkey	0.27	0.054
United Arab Emirates	0.21	0.042
Uruguay	0.04	0.008
Venezuela	0.49	0.098
Vietnam	0.01	0.002
Yugoslavia	0.42	0.084

(continued)

Appendix I
U.N. Peacekeeping Assessment Scale—1992

	Percent	
	Regular budget scale	Peacekeeping scale
Zaire	0.01	0.002
Zambia	0.01	0.002
Subtotal group C (82 countries)	11.85	2.369
Group D - Poorest developing countries		
Afghanistan	0.01	0.001
Angola	0.01	0.001
Antigua	0.01	0.001
Bangladesh	0.01	0.001
Belize	0.01	0.001
Benin	0.01	0.001
Bhutan	0.01	0.001
Botswana	0.01	0.001
Burkina Faso	0.01	0.001
Burundi	0.01	0.001
Cape Verdi	0.01	0.001
Central African Republic	0.01	0.001
Chad	0.01	0.001
Comoros Islands	0.01	0.001
Djibouti	0.01	0.001
Dominica	0.01	0.001
Equatorial Guinea	0.01	0.001
Ethiopia	0.01	0.001
Gambia	0.01	0.001
Grenada	0.01	0.001
Guinea	0.01	0.001
Guinea-Bissau	0.01	0.001
Haiti	0.01	0.001
Laos	0.01	0.001
Lesotho	0.01	0.001
Malawi	0.01	0.001
Maldives	0.01	0.001
Mali	0.01	0.001
Mauritania	0.01	0.001
Mozambique	0.01	0.001
Myanmar	0.01	0.001
Namibia	0.01	0.001
Nepal	0.01	0.001
Niger	0.01	0.001

(continued)

Appendix I
U.N. Peacekeeping Assessment Scale—1992

	Percent	
	Regular budget scale	Peacekeeping scale
Papua New Guinea	0.01	0.001
Rwanda	0.01	0.001
St. Kitts & Nevis	0.01	0.001
St. Lucia	0.01	0.001
St. Vincent & Grenadines	0.01	0.001
Samoa	0.01	0.001
Sao Tome & Principe	0.01	0.001
Senegal	0.01	0.001
Seychelles	0.01	0.001
Sierra Leone	0.01	0.001
Solomon Islands	0.01	0.001
Somalia	0.01	0.001
Sudan	0.01	0.001
Surinam	0.01	0.001
Tanzania	0.01	0.001
Togo	0.01	0.001
Uganda	0.01	0.001
Vanuatu	0.01	0.001
Yemen	0.01	0.001
Zimbabwe	0.01	0.001
Subtotal group D (54 countries)	0.54	0.054

Source: United Nations.

Summary of Elements Used in Computation of the U.N. Regular Budget Scale of Assessments

The U.N. regular budget scale of assessments is the underlying basis for apportioning peacekeeping expenses to U.N. member countries. The regular budget scale uses capacity to pay as its fundamental principle and is revised every 3 years by the U.N.'s Committee on Contributions. The following elements summarize how the scale is computed.¹

- All computations are based on data submitted by member countries to the U.N. Statistical Office in response to an annual questionnaire. Member countries are guaranteed confidentiality of the information they submit. All relevant data are then provided to a Committee on Contributions (a body of experts selected by the General Assembly to implement the methodology and to make recommendations on refining the methodology), which prepares the actual scale.
- A 10-year statistical base period is used in calculating data. Although other base periods (principally 3 years) have been used, the 10-year base period smoothes out excessive variation.
- The scale for market economies is computed by making certain adjustments to member countries' gross domestic product and converting the result into U.S. dollars to arrive at national income.
- For centrally planned economies, the scale is calculated by making a series of adjustments to net material product and converting the result into U.S. dollars to yield national income.
- International Monetary Fund rates of exchange are used for all Fund members. The U.N.'s operational rate of exchange is used for most other countries.
- The relative proportion of each country's national income to total member national income is then calculated to two decimal places. This is the so-called "machine scale." The U.S. figure is 27.59.
- National income (the machine scale) is then adjusted for external debt. The debt adjustment is applied only for countries with per-capita income below \$6,000. The relative scale is reduced for those countries receiving the adjustment and increased for all others. At this point, the U.S. figure is 27.83.
- The figures are then adjusted to take into account low per-capita income. An adjustment is made for countries whose per-capita income is below \$2,600 (the mean world per-capita income figure). Those countries receive an adjustment equal to 85 percent of the proportional difference between their per-capita income and \$2,600. For example, a country with per-capita income of \$1,000 has its national income reduced by 52.3

¹The information presented in this summary was taken from an internal document prepared by the U.S. Mission to the United Nations.

Appendix II
Summary of Elements Used in Computation of
the U.N. Regular Budget Scale of Assessments

percent ($\$2,600 - \$1,000 = \$1,600 = 61.5$ percent of $\$2,600$; $0.85 \times 61.5 = 52.3$). The total cost of relief granted under this formula is then apportioned on a pro-rata basis among those countries not receiving this relief. The U.S. figure now becomes 30.65.

- All countries, regardless of their national income, must pay at least 0.01 percent (floor). An adjustment is then made for those countries whose national income is below this figure. The total is then apportioned among the remaining countries on a pro-rata basis. At this point, the U.S. figure is reduced to 30.51.
- No country may pay more than 25 percent of the U.N.'s regular budget expenses (ceiling). The United States is the only country whose computed scale figure exceeds 25 percent. However, because of the ceiling, the U.S. assessment is reduced to 25 percent and other countries' figures are adjusted upwards on a pro-rata basis.
- The assessment computations include mechanisms for minimizing variations in assessment rates from one scale period to another and for making ad hoc adjustments to mitigate unforeseen circumstances and hardships.

Comments From the Department of State

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



United States Department of State

Deputy Chief Financial Officer

Washington, D.C. 20522-1506

JUL 23 1992

Dear Mr. Conahan:

Thank you for the opportunity to comment on your draft report, "UNITED NATIONS: U.S. Participation in Peacekeeping Operations" (GAO Job Code 472270). Comments are enclosed.

If you have any questions on this issue, please call David A. Leis, IO/S/SB, on 647-8270.

Sincerely,

Larry J. Eisenhart

Enclosure:
As stated.

Mr. Frank C. Conahan,
Assistant Comptroller General,
National Security and International Affairs,
U.S. General Accounting Office,
441 G Street, N.W.,
Washington, D. C. 20548

IO Comments on Draft GAO Report Entitled "United Nations: U.S. Participation in Peacekeeping Operations"

We appreciate the opportunity to review subject draft report. The following are our comments on each of the report recommendations as well as other items noted in the report text.

Recommendations 1 through 3:

The Secretary of State instruct the U.S. Representative to the UN to seek support for:

(1) Examining the adequacy of the processes and resources used by the General Assembly committees in reviewing peacekeeping budgets.

IO Comments: While we concur generally with the recommendation, we believe it more important that there be significant improvement in the formulation of budget estimates by the UN Secretariat for peacekeeping operations. We would address this point as well in implementing recommendation #1.

(2) Requiring that the UN Secretary General periodically report to member countries on the status of principal internal audit findings and recommendations regarding peacekeeping operations.

IO Comments: Concur with recommendation. We would find it useful for the SYG to provide periodic reports on corrective measures being implemented as a result of internal audit findings and recommendations regarding peacekeeping operations.

(3) Re-examining the basis for, and equity of, the special UN assessment scale for peacekeeping operations.

IO Comments: A re-examination of the scale is currently underway.

-2-

Recommendation 4:

(4) The Secretary of State should incorporate field-level monitoring into State's management of U.S. interests in UN peacekeeping activities to identify opportunities, and where appropriate, recommend improvements to the economy and efficiency of peacekeeping operations.

IO Comments: We agree that periodic field-level monitoring would be helpful to State's management of U.S. interests in UN peacekeeping activities and will attempt to implement a mechanism for this, subject to availability of resources.

Recommendation 5:

(5) The Secretaries of State and Defense resolve peacekeeping reimbursement issues so that the United States can respond more quickly to UN airlift requests.

IO Comments: Consultations on this issue are continuing. We agree the matter should be resolved as quickly as possible.

Other Items:

-- Page 5 of report:

- First para, second sentence: Change to read: "The Security Council reviews peacekeeping operations upon renewal of the mandates (usually semiannually) and makes decisions regarding their continuation, modification, or termination."
- First para, fourth sentence: Change "Committee" to read "Questions." (refers to ACABQ).
- Second para, second sentence. Change to read: "Under this scale, the United States is assessed for 30.4 percent of peacekeeping costs, as compared to 25 percent for the UN regular budget."

-- Page 18 of report (chart):

- Change "UNISOM" to read "UNOSOM."
- The chart shows the funding method for UNOSOM to be "Special Assessment." In fact, the final funding method for UNOSOM has yet to be decided.

Now on p. 3.

See comment 1.

Now on p. 12.

See comment 1.

Appendix III
Comments From the Department of State

-3-

Now on p. 15.
See comment 1.

Now on p. 17.
See comment 1.

Now on p. 20.
See comment 1.

Now on p. 25.
See comment 1.

Now on p. 26.
See comment 1.

Now on p. 44.
See comment 1.

-- Page 22 of report:

-- First para, first sentence: Delete "usually."

-- Page 27 of report:

-- First para, first sentence: Change to read: "Upon renewal of the mandate for each peacekeeping operation, the Secretary-General reports on the status of the operation and makes recommendations regarding renewal of the mandate."

-- Page 31 of report:

-- Second para, first sentence: Change to read: "Each year, the Congress appropriates funds for most UN peacekeeping operations under the State Department's International Organizations and Conferences: Contributions for International Peacekeeping Activities account."

-- Page 39 of report:

-- Third para, third sentence: Change "... General Assembly committees..." to read "...the General Assembly committee..." (singular).

-- Page 40 of report:

-- Last sentence on page implies that "...some State financial managers believe that coordination could be improved" within the State Department regarding political and financial objectives. In fact, while we are concerned about inadequate coordination in the UN, we believe coordination on UN peacekeeping matters is excellent, both within the IO Bureau as well as in the State Department as a whole.

-- Page 69 of report (scale chart):

-- Peacekeeping assessment rates should be corrected to read as follows: Belgium - 3.109%; Germany - 8.928%; Italy - 4.289%; Japan - 12.447%; and Spain - 1.979%. Also, the regular budget rate for Italy should be corrected to read 4.29%.

The following are GAO's comments on the Department of State's letter dated July 23, 1992.

GAO Comments

1. The technical corrections suggested by State were incorporated in our final report.

Comments From the Department of Defense

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



INTERNATIONAL
SECURITY AFFAIRS

THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-2400

14 AUG 1992

I-92/45568

Mr. Frank C. Conahan
Assistant Comptroller General
National Security and
International Affairs Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Conahan:

This is the Department of Defense response to the General Accounting Office draft report entitled, "UNITED NATIONS: U.S. Participation in Peacekeeping Operations" (GAO Code 472270/OSD Case 9125). The Department concurs or partially concurs with the report findings and recommendations.

The Department of Defense strongly supports United Nations peacekeeping initiatives, and has been an important contributor of manpower and support to those operations since 1948. The peacekeeping activities, undertaken in close cooperation with the Department of State, support U.S. foreign policy objectives for the peaceful resolution of conflict; reinforce the collective security efforts of the United States, the allies, and the other United Nations member states; and enhance regional stability. However, United Nations requests for U.S. assistance have increased substantially, especially within the past 2 years, as indicated by U.S. support for the peacekeeping operations in Iraq/Kuwait, the Western Sahara, Cambodia, and Yugoslavia.

Accordingly, U.S. contributions to peacekeeping activities must receive careful consideration. In this regard, the Department of Defense welcomes the GAO report as an important contribution towards a shared goal -- improving the Department of Defense support to the United Nations. Although agreeing with the recommendations for improved procedures to monitor and account for our participation and assistance, it is the Department's position that the report findings overstate DoD deficiencies.

Detailed DoD comments on the draft report are provided in the enclosure. The Department appreciates the opportunity to respond to the draft report.

Sincerely,

James R. Lilley
James R. Lilley

Enclosure

GAO DRAFT REPORT - RECEIVED JULY 7, 1992
(GAO CODE 472270) OSD CASE 9125

"UNITED NATIONS: U.S. PARTICIPATION IN PEACEKEEPING
OPERATIONS"

DEPARTMENT OF DEFENSE COMMENTS

* * * * *

FINDINGS

- o FINDING A: Implementing and Financing Peacekeeping Operations. The GAO reported that most peacekeeping missions are proposed by the United Nations Secretary-General or member countries, authorized by the Security Council, and funded with the approval of the General Assembly. The GAO noted, however, Members of the General Assembly Advisory Committee on Administration and Budget indicated that insufficient time and resources are devoted to reviewing peacekeeping budgets. The GAO also observed that there are concerns about the lack of information available to member countries on the results of United Nations internal audits of peacekeeping operations. The GAO reported that peacekeeping operations are financed in several ways, but most ongoing missions are financed by special United Nations assessments -- which, since 1973, have been calculated using a scale that allocates a higher proportion of costs to the five permanent Security Council Members than those members pay for their regular United Nations budget assessments. The GAO noted that, under the special scale, the United States is assessed 30.4 percent of peacekeeping costs, as compared to 25 percent for other United Nations assessments. The GAO concluded that changes in the relative economic status of countries since 1973 raise questions as to whether the special scale of assessments continues to represent an equitable basis for distributing peacekeeping costs. (pp. 5-6 and pp. 22-37/GAO Draft Report)

DoD Response: Defer to the Department of State.

- o FINDING B: State's Oversight of U.S. Interests in Peacekeeping Activities. The GAO reported that the State Department oversees the U.S. interests in United Nations peacekeeping operations through its representation in the Security Council and General Assembly. The GAO explained that, within the State Department, there is a clear division of responsibility for the political and financial dimensions of peacekeeping, and State has recognized the need for

Now on pp. 3, 15.

Now on pp. 4, 25-29.

close coordination of what may at times be competing objectives. The GAO found, however, that the State Department has not incorporated field-level monitoring of peacekeeping operations to ascertain whether the operations are functioning efficiently and thus minimizing the cost to the U.S. Government. During its field visits, the GAO found indications of duplicative peacekeeping roles and overstaffing, as well as other potential opportunities to reduce costs and improve efficiency. The GAO concluded that, although its observations do not show conclusively the need for changes in United Nations peacekeeping operations, they do underscore the importance of field-level monitoring. (p. 6 and pp. 38-46/GAO Draft Report)

DoD Response: Defer to the Department of State.

- o **FINDING C: Basis and Authority for U.S. Military Assistance.** The GAO reported that the DoD has supported United Nations peacekeeping forces since 1948, when the first United Nations peacekeeping mission--the United Nations Truce Supervision Organization--was established to monitor cease-fires along the Israeli borders. The GAO reported that, since then, at the request of the United Nations Secretary-General, the DoD has furnished supplies, equipment, Military airlift and sealift, and logistics support. The GAO observed that the DoD has also detailed U.S. Military planners to United Nations headquarters and has sent Military observers to United Nations missions in Africa, Asia, and the Middle East.

The GAO reported that Article 43 of the United Nations charter, June 1945, called for all member states to make armed forces available to the Security Council to maintain international peace and security. The GAO explained that the Congress, in turn, granted the President authority, under section 7 of the United Nations Participation Act of 1945 (P.L. 79-264) as amended, to detail up to 1,000 U.S. armed forces personnel in any noncombat capacity and to furnish and/or loan facilities, services, supplies, and equipment to the United Nations. The GAO noted that, under a delegation of presidential authority set forth in Executive Order 10206, dated January 19, 1951, the Secretary of State, upon request by the United Nations for cooperative action, can ask that the Secretary of Defense detail personnel to the United Nations and furnish other needed assistance. The GAO reported that the law and the Executive Order require United Nations reimbursement to the DoD for expenses incurred; but provide that the Secretary of State, after consulting with the Secretary of Defense, may waive the

requirement, in whole or in part, under exceptional circumstances or when it is in the national interest. The GAO explained that, since there is no DoD appropriation line item for support of peacekeeping forces, each United Nations request is handled on an ad hoc basis, with budget authority for the assistance coming from the Military Department budgets.

The GAO further reported that DoD logistics support is also provided to the United Nations on a reimbursable basis under authority provided by section 607 of the Foreign Assistance Act. (pp. 46-48/GAO Draft Report)

DoD Response: Partially concur. The characterization that each United Nations request is handled on an ad hoc basis, due to the absence of a DoD appropriation line item is not accurate. United Nations requests for U.S. assistance are evaluated on what may more appropriately be described as a case-by-case basis by the Department of State, in consultation with the DoD, to determine how the United States Government should respond. As the GAO points out, the United Nations Participation Act and Executive Order 10206 require United Nations reimbursement to the DoD, but provide for the waiver of such reimbursement, in whole or in part, under exceptional circumstances or when it is in the national interest. When DoD support is to be provided on a non-reimbursable basis and costs absorbed by the DoD, the impact on the DoD capabilities and financial resources must be considered. Such decisions are made on a case-by-case basis, and include a determination of which DoD account is the most appropriate funding source. There is no cause and effect relationship between the lack of a DoD appropriation line item and the case-by-case decision on each United Nations request. Should such a line item be provided, the DoD would still need to decide in each instance the level of support that could be provided.

FINDING D: Defense Monitoring of Peacekeeping Contributions Could Be Improved--Defense Lacks Systematic Policies and Procedures to Track and Report Peacekeeping Assistance. The GAO reported that DoD policies and procedures for providing assistance to United Nations peacekeeping forces and monitoring related costs have not kept pace with the recent expansion of United Nations requests for Defense assistance. The GAO found that DoD lacked uniform policies and procedures to monitor and account for costs incurred for United Nations peacekeeping assistance. The GAO explained that it was unable to identify the costs associated with DoD assistance to United Nations peacekeeping forces because the DoD does not have systematic procedures to account for assistance or

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See comment 1.

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See comment 1.

report on costs incurred. The GAO observed that the DoD could not provide complete cost data because such information was not reported centrally and had to be gathered from several sources. The GAO also found that the cost information provided varied from mission to mission and, with the exception of the United Nations Iraq-Kuwait Observation Mission, did not include personnel costs of Military observers because the Military departments absorb these costs. The GAO concluded that the DoD cannot determine accurately the value of contributions to United Nations peacekeeping or report on the costs it has incurred. (pp.49-50/GAO Draft Report)

DoD Response: Partially concur. While it is true that DoD assistance to United Nations peacekeeping has expanded, the DoD does not lack the capability to monitor and account for costs incurred for United Nations peacekeeping assistance.

Until recently, there has been no requirement for formally monitoring and accounting separately for costs incurred for United Nations peacekeeping assistance because the scope of such support was limited. As the GAO observed, DoD costs for United Nations peacekeeping operations were absorbed by the Military Services unless assistance was provided on a reimbursable basis. The DoD accounting system works well if there is a need to accumulate such costs, particularly when they must be identified to obtain reimbursement. As peacekeeping assistance has expanded and military budgets have been drawn down, there has been an increasing awareness of the potential drain on Service operating budgets from United Nations peacekeeping operations. Those conditions have revised the requirement for formal monitoring of, and accounting for, DoD peacekeeping costs -- and, if not reimbursable, to seek other sources of financing of the new requirements.

The GAO observed that the DoD could not provide complete cost data because such information was not reported centrally and had to be gathered from several sources. However, again, due to the ad-hoc nature of peacekeeping operations and requirements for DoD assistance, the unique United Nations requests received, and the absorption of costs by the Military Service providing the assistance, until recently there was no requirement to centralize reporting.

Additionally, while the GAO finding is accurate that, generally, cost information available did not include personnel costs of military observers, the GAO also recognized that personnel costs would be absorbed when

personnel were assigned to United Nations peacekeeping operations. The DoD did not accumulate such data because it was not receiving reimbursement and, consequently, there was no need to identify such information. The Department can determine what those costs are and separately account for them, if there is a requirement to aggregate and report them.

The GAO conclusion that DoD cannot determine accurately the value of contributions to the United Nations or report on the costs it has incurred is not correct. Again, if a reporting requirement exists, the DoD can determine the value of contributions to the United Nations and report on the costs incurred. Until recently, however, there has been no such requirement.

- o **FINDING E: Defense Monitoring of Peacekeeping Contributions Could Be Improved--DoD Regulations Changed to Limit U.S. Per-diem Payments.** The GAO reported that DoD regulations did not impose appropriate limitations on per diem allowances paid to U.S. Military personnel who also received United Nations subsistence payments. The GAO explained that regulations in place at the time of its review permitted the Military Services to pay full per diem allowances to Military personnel who were also receiving United Nations subsistence payments, thus permitting U.S. military observers on temporary assignment with the United Nations to receive both United Nations and U.S. subsistence allowances. The GAO noted that after bringing the matter to the attention of the DoD, the Department, in February 1992, revised the Joint Federal Travel Regulation, to limit the combined United Nations and U.S. Government per diem allowances to the amounts allowed for U.S. Government travel. (pp. 49-50/GAO Draft Report)

DoD Response: Partially concur. In late November 1991, the Department of the Army recognized the need for an audit of support activities for United Nations peacekeeping operations, including a review of procedures for payment of per diem to military observers detailed to peacekeeping missions. The proposal for the audit was approved on December 18, 1991, as part of an overall audit plan for calendar year 1992. The DoD agrees that, at the time of the GAO review, DoD regulations permitted the Military Services to pay full per diem allowances to military personnel who were also receiving United Nations subsistence payments. Those regulations were not changed until February 1992, subsequent to discussions with the GAO. However, the Army was generally aware that the issue of per diem payments needed to be reviewed. During the initial discussions with the GAO, the Army cited the per diem rate for U.S. military observers as an example

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See comment 1.

of issues discovered during the internal review initiated by the Army, and noted actions underway to correct deficiencies. The Department is pleased to note the GAO agreement with the corrective action taken.

- o **FINDING F: Defense Monitoring of Peacekeeping Contributions Could Be Improved--DoD Logistics Support Procedures are Outdated.** The GAO reported that Army policies and procedures for providing logistics support to United Nations peacekeeping forces were out of date and not always adhered to. The GAO pointed out that, as a result, financial reports of United Nations logistics support activities are not prepared as required, and reimbursable costs are not always billed to the United Nations for payment. The GAO explained that the Department of the Army serves as the Executive Agent for coordinating and providing logistics support to United Nations peacekeeping forces. The GAO found that Army Pamphlet 700-15, "Logistics Support of United Nations Peacekeeping Forces," dated May 1, 1986--which contains procedures for providing United Nations logistic support--is outdated. The GAO observed that some organizations have changed and some of the procedures outlined are no longer followed. The GAO found, for example, that annual financial reports required by the pamphlet were not prepared in 1990 and 1991 because the Army component responsible for their preparation no longer exists. The GAO concluded that, as a result, DoD managers do not receive information on the financial aspects of peacekeeping logistics support.

The GAO also reported that the DoD did not process and control adequately reimbursement claims for transportation costs and defense items shipped to the United Nations. The GAO found that the U.S. Mission to the United Nations, which monitors such claims, reported more than 100 outstanding United Nations claims as of January 1992. The GAO concluded that the claims, valued at approximately \$440,000, were outstanding because the DoD had not billed the United Nations properly for payment. (pp. 49-51/GAO Draft Report)

DoD Response: Partially concur. Army Pamphlet 700-15 was established in 1973 to provide procedures for United Nations peacekeeping forces to obtain Army supplies and equipment on a reimbursable basis in support of Operation Night Reach in the Sinai desert. The Army was designated as the DoD Executive Agent for that particular operation, which was terminated in 1979. In May 1986, Pamphlet 700-15 was updated to provide United Nations peacekeeping forces with continued supply support until further DoD guidance and/or instructions could be issued. Although peacekeeping has become a

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See comment 1.

growth industry with four new support missions in 1991, the procedures outlined within 700-15 are still valid.

The United Nations continues to use Pamphlet 700-15 as DoD guidance for logistical support for peacekeeping operations. When the Pamphlet was written, support for United Nations peacekeeping forces was a small mission. Accordingly, the guidance is primarily designed for limited supply support at the Army level, and was not intended to provide logistical support or financial accounting at the DoD level. United Nations logistical requirements regarding materiel acquisition and transportation have become more complex. In addition, logistical requirements have expanded to include loan or lease of equipment, provision of DoD excess equipment, transfer of equipment from Army units to United Nations peacekeeping forces, petroleum support, etc. The Department of Defense, therefore, recognizes the need to develop logistical support and guidance at the DoD level.

Although an annual financial report is supposed to be prepared (according to Pamphlet 700-15, Page 4, Paragraph 12b), the report is a general financial summary of reimbursable support provided to United Nations peace-keeping operations and contains only the total dollar value of bills submitted for the year, total dollars reimbursed, and the dollar value of outstanding bills. The annual report would not provide DoD managers with detailed pertinent financial information necessary for planning purposes and/or oversight.

Despite the limitations, financial data on various peacekeeping mission support has been available from various other sources than those outlined in pamphlet 700-15. Historically, however, the data have not been aggregated centrally and, thus, have not been readily available. While the Department of Defense can understand the basis for the GAO conclusion that DoD managers do not receive information necessary to oversee the financial aspects of logistical support to United Nations peacekeeping, the situation should be corrected by recently issued guidance from the Comptroller, DoD, regarding the monitoring and reporting of costs.

The Department of Defense is also attempting to recover the approximately \$440,000 from more than 100 outstanding claims that have not been submitted to the United Nations for payment. Payment on those claims has been delayed because supporting documentation, such as copies of paid vouchers, have not been received by the U.S. Mission in New York for forwarding to the United Nations. In many cases involving United Nations Truce Supervision

Organization claims, documentation must first be received from outside the Department of Defense at the U.S. Embassy in Tel Aviv, thus complicating recovery efforts.

- o **FINDING G: Defense and State Disagree on Reimbursement for Airlift Services.** The GAO reported that, historically, the DoD has provided airlift services to the United Nations without charge, waiving reimbursement, because the Secretary of State determined such services to be in the U.S. national interest. The GAO noted that the costs of airlift services provided to the United Nations were absorbed traditionally by the Air Force Military Airlift Command Industrial Fund.

The GAO found that the voluntary contribution arrangement was discontinued in 1989, when the State Department asked the United Nations to credit its peacekeeping assessment for the value of DoD airlift services provided to the United Nations Iran-Iraq Military Observer Group. The GAO further found that the United Nations credited approximately \$7 million against the U.S. assessment for the mission, but State did not reimburse DoD for any of the amount. The GAO observed that, while the DoD subsequently spent about \$6 million in airlift services to United Nations peacekeeping forces between 1989 and 1991, and the United Nations credited a similar amount against U.S. peacekeeping assessments, to date the State Department has not reimbursed the DoD for any of the costs incurred.

The GAO reported that, according to a DoD official, attempts to resolve the issue with the State Department have been unsuccessful, and credits against the United Nations peacekeeping assessments effectively represent transfers of funds from the DoD to the State Department. The GAO observed a State Department official indicated that the State Department policy of not reimbursing the DoD is predicated upon State not having sufficient appropriated funds to pay all of its peacekeeping assessments.

The GAO reported that, more recently, the United Nations requested U.S. assistance for the Military airlift of equipment to Cambodia on or about February 15, 1992. The GAO noted, however, that the DoD requested processing under a United Nations Assist Letter, whereby the United Nations would directly reimburse the DoD for the approximately \$350 thousand in airlift costs. The GAO observed that, because State was willing to approve the airlift request only if the DoD agreed to the State Department request to waive United Nations reimbursement, the United Nations was advised that its airlift request could not be

Now on pp. 33-34.

accommodated in the time frame requested. The GAO concluded that the disagreement between the DoD and the State Department over reimbursement was a factor in the U.S. inability to accommodate the United Nations request. The GAO also pointed out that the State Department recognizes that tight fiscal circumstances may limit DoD ability to meet future United Nations needs without reimbursement. (pp. 52-55/GAO Draft Report)

DoD Response: Concur. The reimbursement issue is a serious problem that will continue to affect the ability of the U.S. Government to accommodate United Nations requests for assistance in a timely manner. The issue requires resolution of both the reimbursement to the DoD by State, when reimbursement from the United Nations is waived under the provisions of the United Nations Participation Act, as well as the credit for the value of DoD support taken by State against the U.S. peacekeeping assessment, which produces a net effective transfer of funds from the DoD to State. The Department of Defense is working with the Department of State to resolve this issue.

- o **FINDING H: Peacekeeping Roles of Other International Organizations.** The GAO reported that Chapter Eight of the United Nations charter stipulates that regional organizations shall make every effort to settle local disputes before referring them to the Security Council. The GAO noted that several regional and international organizations have had peacekeeping roles in regional conflicts. The GAO observed that the United States actively supports regional peacekeeping arrangements, and the international community may look increasingly to regional organizations as a means of sharing the peacekeeping burden now placed on the United Nations. The GAO concluded that there are advantages and disadvantages associated with the use of regional organizations in peacekeeping. The GAO cited the experience of the Multinational Force and Observers and the Organization of American States as examples of regional and international approaches to peacemaking and peacekeeping that can be an effective substitute for United Nations arrangements. The GAO noted, however, that while there may be some international support for regional peacekeeping arrangements, such an approach may not always be appropriate or feasible. The GAO concluded that the United Nations Security Council must evaluate its response to each new conflict situation on a case-by-case basis. (pp. 56-68/GAO Draft Report)

Now on pp. 37-43.

DoD Response: Defer to State. It should be noted, however, that regional organizations are not required to obtain the permission of the United Nations Security Council before undertaking peacekeeping activities on their own.

The North Atlantic Treaty Organization and West European Union decisions to deploy naval forces to monitor United Nations sanctions imposed against Yugoslavia did not require prior United Nations Security Council approval, nor did the deployment of peacekeeping troops to Liberia by the Economic Community of West African States.

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RECOMMENDATIONS TO THE DEPARTMENT OF STATE

- o RECOMMENDATION 1: The GAO recommended that the Secretary of State instruct the U.S. representatives to the United Nations to seek support for (1) examining the adequacy of the processes and resources used by the General Assembly committees in reviewing peacekeeping budgets, (2) requiring that the Secretary-General periodically report to member countries on the status of principal internal audit findings and recommendations regarding peacekeeping operations, and (3) reexamining the basis for, and equity of, the special United Nations assessment scale for peacekeeping operations. (pp. 8-9 and p. 37/GAO Draft Report)

DoD Response: Concur.

- o RECOMMENDATION 2: The GAO recommended that the Secretary of State incorporate field-level monitoring into State Department management of U.S. interests in United Nations peacekeeping activities to identify opportunities -- and, where appropriate, recommend improvements to the economy and efficiency of peacekeeping operations. (pp. 8-9 and p. 45/GAO Draft Report)

DoD Response: Concur. Closer field-level monitoring could assist in evaluating the performance of peacekeeping operations and thus the appropriate level of U.S. support. Where Department of Defense personnel or resources are involved in a peacekeeping mission, the DoD should also participate in such monitoring.

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Now on pp. 5, 23.

Now on pp. 5, 28.

See comment 1.

RECOMMENDATIONS TO THE DEPARTMENT OF DEFENSE

- o **RECOMMENDATION 3:** The GAO recommended that the Secretary of Defense develop a centralized system to account for and report DoD peacekeeping assistance to ensure that the United States receives recognition for its peacekeeping contributions including personnel costs, per diem, transportation, and other related costs. (p. 9 and p. 55/GAO Draft Report)

DoD Response: Concur. The expansion of DoD support to United Nations peacekeeping has created a new requirement for formal monitoring of and accounting for DoD assistance to the United Nations. The Defense Department has already initiated reporting procedures and instructions to track and monitor costs of the individual peacekeeping missions. The Deputy Secretary of Defense placed ceilings on the level of support to be provided for each of those operations, which cannot be exceeded without his or the Secretary's approval. The Army has been designated the Executive Agent within the Department with overall responsibility for monitoring the costs associated with the peacekeeping missions and for providing consolidated reports, on a monthly basis, of costs incurred for each of the peacekeeping operations. The reporting procedures provide for reporting and monitoring not only the total costs of the individual peacekeeping efforts, but also the incremental costs (costs that would not otherwise have been incurred) of those individual efforts.

- o **RECOMMENDATION 4:** The GAO recommended that the Secretary of Defense update policies and procedures for providing DoD logistics support to United Nations peacekeeping forces to ensure that (1) reimbursable costs are properly billed and controlled, and (2) required financial activity reports are prepared and distributed. (p. 9 and p. 55/GAO Draft Report)

DoD Response: Partially concur. The Department of Defense recognizes the need to develop more comprehensive policies and procedures for logistical support in response to the increased complexity of United Nations logistical requirements. Many of the procedures contained in current guidance, however, remain valid. Possible approaches for refining the system under discussion by the Office of the Secretary of Defense and the Military Services could include designation of a DoD Logistics Coordinator, replacement of Department of the Army Pamphlet 700-15 with a supply system through which United Nations requests are processed by the DoD Logistics Coordinator, billing by the Service that provides the support, and close monitoring of reimbursement from the United Nations by the DoD Logistics Coordinator. The Department of Defense intends to review current policies and procedures in the coming weeks and make a decision before the end of 1992 on the most effective

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See comment 1.

means of improving policies and procedures for logistics support to United Nations peacekeeping forces. Implementation will follow.

In reference to the recommendation concerning financial reporting, the Department has initiated more comprehensive and detailed reporting procedures to capture both the total and incremental costs of support provided to the various peacekeeping efforts. These monthly reports allow for monitoring and tracking the various types of costs being incurred for each of the peacekeeping operations.

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RECOMMENDATIONS TO THE DEPARTMENTS OF STATE AND DEFENSE

- o **RECOMMENDATION 5:** The GAO recommended that the Secretaries of State and Defense resolve peacekeeping reimbursement issues so that the United States can respond more quickly to United Nations airlift requests. (pp. 9-10 and p. 55/GAO Draft Report)

DoD Response: Concur. The Department of Defense will continue to work with the Department of State to resolve this difficult problem, which currently inhibits DoD ability to respond to United Nations requests in a timely manner. The Department will seek to reach such resolution before the end of FY 1993.

Now on pp. 5, 34.

The following are GAO's comments on the Department of Defense's letter dated July 23, 1992.

GAO Comments

1. The report text has been modified to reflect DOD's position on these matters.

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