6 Beyond UNCED: Revenues and Reforms

The secretariat of the Conference has estimated the average annual costs (1993–2000) of implementing in developing countries the activities in Agenda 21 to be over $600 billion, including about $125 billion on grant or concessional terms from the international community. 

*Agenda 21*, Chapter 33.18

External indebtedness has emerged as a main factor in the economic stalemate in the developing countries. 

*Agenda 21*, Chapter 2.24

This chapter will first examine both the current limitations and future opportunities for the reform of ODA, the financial basis of UN operations, and alternative sources of revenues to finance sustainable development. It will secondly address the agenda of UN structural reform, that goes *beyond* the *Agenda 21*-derived possibilities raised at UNCED and described in the preceding chapter.

The United Nations is both the best and the worst place in which to conduct environmental diplomacy. It is the only arena in which all the world’s states can meet on the basis of sovereign equality to negotiate new norms of behaviour and adopt binding conventions on a range of issues. It is also a place where representation is strictly limited to states. Entire nations, such as Kurds and Tibetans, and most indigenous peoples, such as Amerindians, aboriginals and pygmies, are excluded. NGOs, despite their self-importance, are marginalised. It is a place in which both political interests and bureaucratic structures favour the sectoral approach over the integrated approach to sustainable development. It is a place in which the gulf between declaratory standards and their implementation grows wider as many member-states’ willingness to finance what they vote for, and to submit to verification and compliance procedures in conventions which they adopt, reveal the strains of confronting the full agenda of sustainable development.

As was seen in the preceding chapter, there was real progress after Rio in addressing the shortcomings and overlap of responsibilities within the UN system. Most obviously, the creation of the CSD represented a late conversion to the cause of creating an *additional* organ, after a decade of resistance from the US and UK leadership of the Geneva group of donors.
Since 1986 reform in the UN has been led by financial stringency, cost-cutting, zero real growth and an accountant's concern for cost-effectiveness. There is nothing intrinsically wrong with financial stringency in the organisation of international government. Responsibility for the dispersal of several billion dollars of official development assistance deserves care and cost-effectiveness. Problems begin when such stringency becomes a policy objective in its own right rather than a measure of efficiency in achieving a certain goal. By the late 1980s, the double standards involved in some attacks on the UN became substantial.\footnote{1}

The Reagan administration demanded and was granted consensus procedures within the Committee on Programme and Coordination. A further detailed review of the Secretariat's structure was undertaken by the Committee of 18 during 1986.\footnote{2} However, throughout this period, the US use of financial penalties against the UN became the single largest cause of the financial crisis faced by the organisation. After 1988 the source of the difficulties shifted from the White House to Congress, when successive bills introduced by President Bush to make good the arrears of several years foundered on Congressional opposition. The US used a combination of withholdings, late-payments and arrears, to become by the end of 1992 the largest debtor in the UN system. In September 1992, the extent of US pre-1992 system-wide obligations stood at $553.9 million, of which $266.4 million was owed to the Regular Budget. The cash-flow of the UN was also affected by the further $624 million due in 1992, that was still owing nine months into that year.\footnote{3} Despite the much-touted US claim to be unfairly carrying 25 per cent of the assessed budget of the organisation, the decline of the US contribution to multilateral programmes was so great as to rank only 18th in ODA per capita in 1992.\footnote{4} After 1990, the UN Secretariat was substantially reduced in staffing, and reorganised into larger departments, one with specific responsibility for UNCED, by a series of reforms initiated by Boutros Boutros-Ghali after February 1992 and completed by the end of that year. On 3 December 1992, the Secretary-General announced the creation of the Department for Policy Coordination and Sustainable Development under the direction of Under-Secretary General Desai. It is this Department which will in turn provide the staff for both the CSD and the High Level Advisory Group of individual experts. Although the CSD has been created to undertake the task of coordinating sustainable development policy, the CSD will in turn be subject to the coordinating efforts of ECOSOC and of the Administrative Committee on Coordination, which has in turn created a new sub-committee structure, the Inter-agency committee on sus-