

## UN peace operations: the case for strategic investment

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UN peacekeeping, which costs around € 5.7 billion a year, has not faced drastic budget cuts during the financial crisis. But the UN is not immune to economic stresses: major donors, including members of the EU, are looking to keep costs down. These constraints could harm the UN as it prepares for possible crises in Sudan and the Middle East. Budgetary disputes could also damage relations with big troop contributors to the UN like Brazil and India. To avoid this, EU governments should make counter-cyclical strategic investments in UN peacekeeping to (i) sustain confidence in big UN military operations in Africa; and (ii) increase support to its light-weight political missions, including those in Afghanistan and the Middle East.

United Nations peacekeepers face dangers daily. The blue helmets have been attacked by bandits in Sudan, rioters in Kosovo and terrorists in Lebanon. Over 100 members of the UN mission in Haiti died in this January's earthquake – although the peacekeepers rebounded from the crisis, keeping order in Port-au-Prince. Now UN missions face another challenge: significant budgetary constraints arising from the economic crisis.

UN operations, which involve over 120,000 personnel worldwide, are expensive. The peacekeeping budget for 1 July 2010 to 30 June 2011 is \$7.2 billion (€5.7 billion)\*. This is slightly lower than in 2009–2010, but the figure is likely to rise during the year.

The UN also oversees a diverse range of non-military political missions, such as its advisory missions in Iraq and Afghanistan, which take on mediation and coordinate peacebuilding programs. These cost \$0.6 billion (€0.5 billion) a year – but costs are again expected to rise, especially to help protect the UN in Iraq as the Americans depart.

These are small sums of money compared to Western defense and development budgets. The German contribution to the UN peacekeeping budget is expected to be somewhat over \$600 million in the next twelve months. This is less than 10% of the amount Germany proposes to cut from its defense budget over four years.

Yet big donors – especially European governments – face pressures to cut UN costs. In July 2010, France's UN ambassador warned the Security Council that “in the context of budgetary austerity, the cost of peacekeeping was increasingly difficult to manage.”

It is unlikely that anyone will want to demand big reductions in peacekeeping forces in a humanitarian hot-spot like Darfur. But *strategic investments* in UN missions, such as new proposals to strengthen the organization's headquarters capacity, may face cut-backs.

Yet there is a case for “counter-cyclical” spending on UN operations – especially as NATO and the European Union may shrink military

\* All conversions used in this paper are based on mid-July exchange rates.

commitments in the near future. Factors include (i) the imperative to contain the risk of violence in the Middle East; (ii) the need to prevent further humanitarian crises in Africa; and (iii) opportunities to enhance relations with important contributors of peacekeepers like Brazil and India.

## A €6 billion bargain?

Recent studies suggest that the presence of peacekeepers in countries emerging from war reduces the chances of a new conflict by up to 75%. The UN is not the only peacekeeping option, but it is relatively cost-effective. It costs NATO five times as much to put a soldier in the field as it does the UN. The RAND Corporation argues that UN-led state-building operations have a better success-rate than American-led interventions.

Other low-cost peacekeeping options have proven ineffective. The African Union has run useful small-scale operations in Burundi and the Comoros, but struggled in bigger, harder cases like Darfur and Somalia – requiring UN support in both.

The UN has also suffered recent set-backs to some high-profile deployments. Its Congo operation is more than ten years old and involves over 20,000 personnel but cannot guarantee stability in important parts of the country. Its mission in Darfur, although an improvement on the original AU force, has found it hard to deter violence.

UN officials admit that these missions have weaknesses. They call for more specialized assets – like helicopters – and NATO-quality units. The Secretariat is pursuing a new Global Field Support Strategy to improve the logistical and administrative systems that sustain operations, approved by member states this summer.

The UN has also proven unexpectedly adaptable when it comes to designing “light-weight” political missions that don’t require large numbers of troops. It oversaw the end of Nepal’s civil war and election in 2007–8 with 186 military observers, for example, and is developing a generation of civilian “peacebuilding” offices across Africa (see boxes).

The U.S. and European governments have a particular interest in UN political missions in

the Middle East, including advisory missions in Iraq and Afghanistan and smaller political offices in Lebanon and the Palestinian Territories. The mission in Iraq (UNAMI) has played an increasingly significant role in recent years, especially in mediating between the Kurds and Arabs. Its counterpart in Afghanistan (UNAMA) has struggled to influence the government of Hamid Karzai, but both missions are likely to take on new duties as the U.S. and NATO pull back from the broader Middle East. The offices in Beirut and Jerusalem act as anchors for multilateral engagement in the region.

### A light-weight mission: Nepal

*In 2007, the UN deployed a mission to oversee disarmament and elections in Nepal after a decade of war. Some UN planners predicted that 2,500 personnel would be required to monitor the peace agreement. The head of the new mission, Ian Martin, argued that less than 200 military observers were required. The light-weight mission successfully oversaw Nepal’s transition – although many political tensions remain – showing that the UN does not always need large military forces.*

From a European perspective, therefore, the UN provides (i) a useful strategic partner in Africa (where it is the best-value security option, in spite of its imperfections) and (ii) an important ally in charting the long-term future of the Middle East. But is it still affordable?

## Counting the costs

Before the financial crisis, the UN’s operations looked like a bargain – especially for the U.S. (which pays 27% of the total) and the EU’s members (nearly 40% combined). Even after the crisis hit, the Obama administration paid \$2 billion in peacekeeping dues including arrears from the Bush administration. But as the economic downturn has bitten into Western budgets, concerns about UN costs have mounted.

Members of the eurozone are in a particularly difficult situation, as commitments to the UN budget are denominated in dollars. A few years ago, this was an advantage: rises in peacekeeping costs were offset by the appreciation of the euro against the dollar. This has now been reversed.



In 2008, Germany's contribution to the UN peacekeeping budget (over 8% of the total) was \$ 607 million – € 390 million, at mid-2008 exchange rates. It is estimated that Germany's contribution for 2010 will be around \$ 620 million: € 480 million at current \$ – € rates.

#### Top ten contributors to UN PK budget

Member state	% (2010)
United States of America	27.17
Japan	12.53
United Kingdom	8.16
Germany	8.02
France	7.56
Italy	5.00
China	3.94
Canada	3.21
Spain	3.18
Republic of Korea	2.26
<b>Total</b>	<b>81.03</b>

Source: UN General Assembly

Big EU donors – including Britain, France and Germany – face the complication that their peacekeeping contributions come from their foreign ministry budgets. Even if the sums involved are small by defense spending standards, they are big in terms of foreign ministry expenditures. European diplomats grumble that they have to pay for UN operations while facing cuts to staffing and embassies.

No EU member state has called for drastic cuts in peace operations to save money – and the Security Council rapidly approved an expansion of the UN mission in Haiti after January's earthquake. But European diplomats are wary of authorizing even relatively small new missions, and some question the scale and cost of some of the UN's larger deployments, such as those in the Congo, Lebanon and Sudan.

It's hard to balance security and economic concerns. France wants costly missions downsized but opposes shrinking UN forces in former colonies like Côte d'Ivoire and Lebanon. The U.S. defends the mission in Liberia. If the U.S. queries the cost of a mission France likes, the French duly question the number of peacekeepers in Liberia.

There are deeper tensions between the main financial supporters of UN missions and big troop contributors like India (which provides

crucial assets to UN missions in Africa) and Brazil (which is essential to the mission in Haiti). The latter argue that their decision to put soldiers in harm's way means they should have more say in peacekeeping decisions.

However, big financial contributors like Germany and Japan respond by arguing that they should also be given more opportunities to shape the future of the missions they pay for. They complain that the rising Asian economies pay a tiny part of the peacekeeping budget. The scale of assessed contributions to the UN peacekeeping budget was last renegotiated in late 2009. While Germany still pays 8% of the costs (a slight reduction on previous years), China pays 4% and India less than 2%.

While European governments want to forge better ties with these emerging economic powers, their regular differences over funding peacekeeping sour relations at the UN. The division between “those who pay” and “those who play” in UN operations is not new. But budget negotiations remain difficult. There are also concerns that, if the big UN contributors lose faith in peacekeeping they will walk away from blue helmet operations. India has already threatened to do this.

#### The UN's Peacebuilding Offices

*The UN faces particular problems closing down military peace operations. There is a significant risk that once the blue helmets are gone, violence will return, as happened in Timor-Leste in 2006. The UN has developed a new generation of peacebuilding offices – civilian presences focused on mediation and coordinating development assistance – to help manage these transitions. The Executive Representative of the Secretary-General (ERSG) heading the peacebuilding office in Sierra Leone estimates that his office costs just 2% of the previous peace operation per year, but maintains a close political relationship with the government.*

Tensions also arise over the cost of political missions. Unlike peacekeeping operations, political missions are paid for out of the UN's regular budget along with conferences and air-conditioning. This means that there are no special funds available to back-stop these at headquarters – limiting the amount of political, managerial and operational guidance they get from there.

UN officials responsible for political missions argue that they need new funding arrangements to plan and support these relatively inexpensive operations. Diplomats fear that this would open the way to a new generation of cost hikes.

## Time for strategic investment in the UN?

Since the financial crisis broke, European diplomats have been looking for ways to lower costs without harming operations. The EU has urged the UN Secretariat to be more realistic in its planning assumptions and financial projections.

The UN Secretariat has responded to the concerns of member states, slowing some deployments to reduce costs. It has also devised a set of benchmarks for assessing its missions' progress. The current savings-focused mood may be healthy for the UN: the Secretariat has been pushed to address weaknesses in its administrative culture, military posture and contingency planning.

But this may not be enough to meet some member states' financial concerns. Some diplomats are pinning their hopes on a gradual reduction in the overall peacekeeping burden. This year, the Security Council decided to wind up the small mission in Chad, and there are moves to slim down the force in the Congo (in both cases the impetus for cuts came from the host countries).

UN officials hope that these reductions will allow them to consolidate their efforts, ensuring that they have sufficient personnel to cover remaining missions more effectively. But this emphasis on consolidation could be overturned by a strategic shock – the UN was, after all, thinking how to reduce its role in Haiti before January's earthquake.

## New crises on the horizon

Further shocks – more predictable ones than the earthquake – are now on the horizon. The UN is preparing for a referendum on independence

in southern Sudan, where it already has 9,000 troops, at the start of 2011. There is a high chance that the vote will be followed by bloodshed. Equally, tensions in the Middle East may lead to a new war in the region. Just as the 2006 war between Israel and Hezbollah required a big deployment of blue helmets and ships to Lebanon, a new conflict might demand more peacekeepers.

Given the European interest in UN operations in the broader Middle East and Africa, there is a case for “counter-cyclical” spending on strengthening missions, including:

- *Increasing confidence in the UN's big military operations by pledging to maintain peacekeeping funding at current levels for at least three years, subject to changes in their strategic circumstances.* This would (i) send a clear political signal that the UN presence in places like Africa, Haiti and Lebanon will not be affected by economic difficulties; and (ii) reduce tensions with troops contributors like India.
- *Giving the Secretariat additional funds to improve its planning and oversight of lighter-weight political missions.* In spite the short-term costs involved, this should (i) contribute to longer-term savings by reducing its reliance on “heavy” military options in Africa over time; and (ii) give the UN extra resources to back-stop its missions in the broader Middle East as Western forces draw down in the region.

These issues would be important at any time, but are all the more urgent given the clear urge to limit NATO and European military commitments in the immediate future. UN missions may not merely be the cheapest viable option to handle emerging crises but the only one. It would be a strategic error to under-fund them.

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