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**"Sharing the Financial Burden for OAS support for democracy"**

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In the Permanent Council meeting last week, I brought up the issue of developing a system to regularize and apportion the costs of new OAS activities in support of democracy, for example the observer mission now in Haiti, which will later be asked to provide technical assistance in institutional development. This morning, I would like to formalize this idea and to propose that we have this committee prepare specific recommendations for the General Assembly in June.

The OAS has passed a significant threshold these past several years: it has been at the forefront of efforts to consolidate democracy in the hemisphere. OAS observers, specialists, facilitators, and the like have been active in a half dozen countries helping to ensure the transparency and freedom of elections, to help national reconciliation following bitter internal struggles, and to promote the observance of human rights.

The Organization has earned much deserved credit, enhanced its image, and made itself increasingly relevant. All of this has cost money, most of it outside our regular assessed quotas to the Organization. Many members and permanent observers have contributed extra funds, personnel, or in-kind assistance to help meet these needs, but this has been neither systematic nor predictable. Lack of predictability has severely handicapped the administration of these special activities.

We have reached the point where there is a need, both political and practical, for a regularized procedure for ensuring that the costs of unforeseen, unbudgeted activities are paid for equitably, that is, shared by all. I note that, a number of years ago, faced with a similar issue on peacekeeping costs, the United Nations Security Council adopted a Special Scale of Assessments or Quotas for Peacekeeping.

I am told that the United Nations participation with the OAS in Haiti will be financed using the regular U.N. scale of assessed quotas inasmuch as this activity has been defined as a "Good Offices Mission." Our situation in the OAS is perhaps comparable, inasmuch as we have no Security Council. But, unlike the U.N., we have no system, no regular means of sharing the cost of these new activities.

Let me note that all of these new activities to strengthen democracy throughout the hemisphere have been unanimously approved by all members. Where and how do we begin to work on this issue in the OAS?

Article 54 of our Charter uses ability to pay and equity as a basis for our regular assessments. These principles in Article 54 could serve as a basis for discussion of a special assessment or quota formula. This possibility was already mentioned in General Assembly Resolution 1063 which established the Democracy Unit.

When the 1991 General Assembly approved Resolution 1080 making the preservation of democracy a matter of hemispheric solidarity, members implicitly assumed a commitment to share in the financial burden of this effort. This leads to a key political point: Unless all members are seen to share both in the decisions and the financial burden, our efforts to support democracy will be weakened.

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The perception that the Organization's activities are financed by one member or a handful of members will undermine the overall purpose, relevance and impact of our multilateral efforts. More importantly, success of our current enterprise in Haiti is setting a precedent for resolution of disputes and the reversal of a violent coup d'etat by peaceful means -- by politics and not tanks or paratroopers. We assume that this is a vital concern for every country represented here.

In a complementary approach, the U.S. delegation believes that we should study the possibility of reconstituting the reserves (Working Capital Subfund) of the Organization, perhaps with unused end-of-year appropriations and payments of arrears. Once reconstituted, reserves could be used temporarily to meet immediate costs of new activities pending the receipt of payments from a special assessment.

Permanent Observers to the OAS have joined other regular members in contributing to some of these new democracy initiatives. Here too, there has been no system, no predictability, only a succession of ad hoc arrangements. We must also consider some regular method of approaching the Permanent Observers for contributions. Of course, this should be discussed with the Permanent Observers.

In conclusion, the U.S. delegation asks the following:

-- That this committee inscribe the issue of special assessments on the agenda for the June 1993 General Assembly, and that it be considered in the General Committee.

-- Secondly, preparatory work will be needed. This can get started in the Permanent Council or one of its committees as the Chairman considers appropriate. The Council should be asked to prepare a specific proposal for special assessments for consideration by the General Assembly.

Thank you very much, Mr. Chairman.

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