

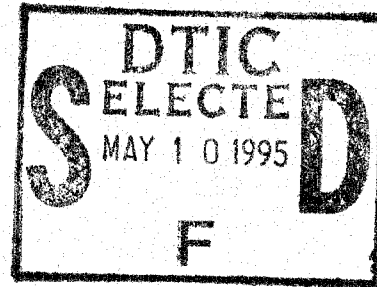


Briefing Report to the Chairman,
Committee on the Budget, House of
Representatives

May 1995

PEACE OPERATIONS

Estimated Fiscal Year
1995 Costs to the
United States



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National Security and
International Affairs Division

B-260431

May 3, 1995

The Honorable John R. Kasich
Chairman, Committee on the Budget
House of Representatives

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Dear Mr. Chairman:

Several U.S. agencies and departments have participated to some extent in peace operations in fiscal year 1995 to date. In response to your request, we are providing information on (1) these agencies' potential fiscal year 1995 costs of peace operations, (2) the potential U.S. share of U.N. assessments for peace operations, and (3) the manner in which the annual defense budget provides the Department of Defense (DOD) with the capability to participate in peace operations. On April 19, 1995, we briefed your staff on these issues.

Background

As fiscal year 1995 began, the United States was involved in a number of peace operations around the world, including operations in Haiti, Bosnia, and Southwest Asia. DOD and the Department of State are the two lead agencies involved in U.S. peace operations. The U.S. Agency for International Development is the primary agency responsible for providing humanitarian assistance and coordinating U.S. donations of food with the Department of Agriculture. The other agencies involved in peace operations are the Departments of Justice, Commerce, Treasury, Transportation, and Health and Human Services.

The costs of most agencies' and departments' participation in peace operations are paid from their congressional appropriations. These costs include expenditures for (1) direct participation of U.S. military forces, (2) the U.S. share of U.N. peacekeeping assessments, and (3) humanitarian assistance. We previously reported on U.S. and U.N. activities related to peace operations, including their cost and funding, and on DOD's fiscal year 1994 cost and funding for peace operations.¹

Results in Brief

Federal agencies' and departments' participation in peace operations is estimated to cost \$3.7 billion during fiscal year 1995; \$672 million of this estimated cost has not been funded. This estimated cost could increase if

¹Peace Operations: Information on U.S. and U.N. Activities (GAO/NSIAD-95-102BR, Feb. 11, 1995) and Peace Operations: DOD's Incremental Costs and Funding for Fiscal Year 1994 (GAO/NSIAD-95-119BR, Apr. 18, 1995).

the need for new operations arises or current operations are expanded. About \$1.8 billion, or 49 percent, of the estimated cost is DOD's estimated incremental costs² for its involvement in peace operations. These incremental costs include (1) special payments, including imminent danger pay, family separation allowance, and foreign duty pay for troops deployed to certain peace operations; (2) operation and maintenance expenses in support of deployed forces; (3) procurement of items such as forklifts and fire support vehicles; and (4) limited military construction at Guantanamo Bay, Cuba.

Several nondefense agencies and departments will bear the remaining estimated U.S. government costs of \$1.9 billion. For example, the estimated U.S. share of special U.N. peacekeeping assessments, which are paid by the Department of State, is \$992.1 million for fiscal year 1995 peace operations. However, the expansion of existing missions or the approval of new missions could increase U.N. peacekeeping costs and hence the U.S. share of those costs. According to U.N. mission planners, several missions could undergo changes or expansions, including the missions in Western Sahara and Rwanda, and Burundi, which is considered a "hot spot," could be the site of a new mission. No estimate is available yet for the cost of a mission in Burundi.

DOD's annual budget provides it with the capability to conduct peace operations but does not fund the operations' incremental costs. As a means of determining how funds are spent, programs can be divided into "investment" and "support" categories. Investment programs fund the procurement of defense capital goods, such as weapons and facilities; support programs fund the operation and maintenance of defense forces and equipment. Funding for each of these categories contributes to military capability in different ways. Investment funding builds a stock of equipment that lasts for many years. Support funding provides the people and other resources to operate and maintain the equipment. This funding makes it possible for U.S. military forces to engage in peace as well as more traditional military operations. However, it would be difficult to estimate with any reasonable assurance what portion of investment and support costs should be applied to peace operations.

Scope and Methodology

To obtain data on estimated U.S. peace operations costs, we met with representatives of the Departments of Defense, State, Agriculture,

²As defined by the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508), for use during Operation Desert Shield/Storm, incremental costs are only those costs that would not have been incurred except for the operation. DOD is still using this definition.

Treasury, Commerce, Transportation, Justice, Health and Human Services, the Office of Management and Budget, and the U.S. Agency for International Development. At each organization, we discussed how peace operation costs are budgeted and accounted for and asked that they provide data on projected fiscal year 1995 costs for peace operations. For DOD's estimated costs of contingency operations, we used the data contained in DOD's request for supplemental appropriations. We reviewed that data to distinguish between costs related to operations that occurred in fiscal year 1994 and those that are expected to occur in fiscal year 1995. For nondefense agencies and departments, we included costs for those programs or activities that were related to ongoing peace operations. We did not independently verify reported costs.

To identify the U.S. share of U.N. peacekeeping assessments, we interviewed and obtained documents from State Department officials responsible for these matters as well as finance officials at the U.N. Controller's Office and Department of Peacekeeping Operations. We compared the State Department's estimate with the U.N. estimate of the cost of peacekeeping missions to ascertain whether they were consistent. In addition, we interviewed officials at the U.S. Mission to the United Nations. We also reviewed U.N. documents on the financing of individual missions and the status of member states' peacekeeping contributions.

To obtain information on how the annual defense budget permits DOD to participate in peace operations, we reviewed DOD financial documents describing the purposes for which the funds in DOD's major appropriations accounts can be spent. We also reviewed the Secretary of Defense's report on the bottom-up review to ascertain which military forces are expected to participate in peace operations.

We did our work between December 1994 and April 1995 in accordance with generally accepted government auditing standards. We provided a draft copy of this briefing report to the organizations involved and incorporated their comments where appropriate.

Section I through III includes the detailed information from our briefing to your staff and appendix I shows a breakout, by country, of the estimated U.S. share of special U.N. assessments for peace operations for fiscal year 1995.

We are providing copies of this report to the Chairmen of the Senate and House Committees on Appropriations, the Senate Committees on Armed Services and Foreign Relations, and the House Committees on National Security and International Relations. We will also send copies to the Secretaries of Defense, State, Agriculture, Treasury, Transportation, Justice, Commerce, and Health and Human Services; the Administrator, U.S. Agency for International Development; the Director, Office of Management and Budget; and the Secretary General of the United Nations. Copies will also be made available to others upon request.

If you or your staff have any questions about this report, please contact me at (202) 512-3504. The major contributors to this report are listed in appendix II.

Sincerely yours,

A handwritten signature in cursive script that reads "Richard Davis".

Richard Davis
Director, National Security
Analysis

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Abbreviations

DOD	Department of Defense
USAID	U.S. Agency for International Development

Background

GAO U.S. Participation in Peace Operations

- Military support
 - Troops
 - Logistical support
 - Financial support
 - U.N. peacekeeping assessments
 - Funds to humanitarian organizations
 - Humanitarian aid
 - Food
 - Refugee assistance
-

The United States participates in peace operations in three principal ways. One way is with direct military support. Since October 1994, U.S. military forces have been used in several locales, including Haiti, the region in and around former Yugoslavia, and Somalia. At the peak of the U.S. military intervention in Haiti in October 1994, the United States had about 39,000 military personnel deployed in and around Haiti. As of January 1995, that number had fallen to about 5,700. The U.S. military has also provided logistical support for peace operations. For example, about 700 military personnel have been involved in providing humanitarian supplies to Bosnia through relief flights and airdrops.

A second way in which the United States participates in peace operations is through financial support. The largest amount of financial support is that provided to the United Nations to pay for the costs of U.N. peacekeeping missions. Most U.N. peacekeeping missions are financed through special assessments. The United Nations has assigned a peacekeeping assessment rate to each member country. The United States is currently assessed 31.2 percent of U.N. peacekeeping budgets, by far the largest share of any U.N. member country. Prior to the dissolution of the Soviet Union, the U.S. peacekeeping assessment rate was 30.4 percent. The United States will continue to pay that rate through fiscal year 1995. The United States has informed the United Nations that as of October 1, 1995, it plans to pay U.N. peacekeeping assessments at a rate of 25 percent.

A third way in which the United States participates in peace operations is by providing support for humanitarian and refugee programs. The United States does this through donations to international organizations, including the United Nations, and to private voluntary humanitarian organizations that are involved in providing humanitarian aid and assistance. This assistance can be in the form of financial aid and other donations, such as agricultural commodities, and through the processing of and caring for refugees.

GAO Types of Peace Operations Involving DOD

- Peace operations are part of DOD's contingency operations.
- Most operations in which the United States participated support U.N.-authorized peace operations.
- DOD has changed its characterization of some peace operations.

Peace operations is a broad and imprecise term. The Secretary of Defense's 1995 Annual Report to the President and the Congress includes peace operations under the broader category termed contingency operations. The Secretary's report describes contingency operations as military operations that go beyond the routine deployment or stationing of U.S. forces abroad but fall short of large-scale theater warfare. Included under the term contingency operations are (1) smaller-scale combat operations such as the military intervention in Panama; (2) peace operations such as the recently concluded operation in Somalia; and (3) other key missions, including humanitarian and refugee assistance, such as last year's support of Rwandan refugees.

Most of the operations in which the United States is participating in fiscal year 1995 are in support of U.N.-authorized peace operations. However, the Department of Defense's (DOD) characterization of individual operations as combat, peace, or humanitarian is in a state of flux. DOD has characterized some operations that are being conducted in support of U.N.-authorized peace operations as humanitarian operations. It has also changed its characterization of operations from that in the Secretary of Defense's 1994 Annual Report. For example, the Secretary's 1994 report characterized DOD's operation in Northern Iraq as U.S. forces acting in support of U.N. peace operations, while the Secretary's 1995 report characterizes it as humanitarian and refugee assistance.

Some operations that involve the United States in fiscal year 1995 are unilateral operations. These include the increase in U.S. military capability in South Korea in response to heightened tensions and the enforcement of a revised U.S. migration policy designed to prevent Cuban migrants from reaching the United States.

Regardless of how DOD characterizes each operation, a common characteristic of these operations is that their incremental costs are not included in its annual budget. To fund these operations, DOD has to absorb their costs within its existing budget and forgo planned activities or seek supplemental appropriations.

GAO Principal Civilian Agencies Involved in
Peace Operations

- Department of State
 - Payments to United Nations
 - Payments to other organizations
- U.S. Agency for International Development
 - Humanitarian assistance
 - Food and medical needs

Civilian federal agencies and departments involved in peace operations carry out a variety of activities. Among the civilian agencies and departments, the Department of State and the U.S. Agency for International Development (USAID) have the largest roles, both financially and programmatically.

The State Department is one of the two lead agencies (DOD is the other) responsible for planning and implementing U.S. peace operations. In addition, the State Department pays the United Nations for the U.S.-assessed share of U.N. peacekeeping budgets as well as additional voluntary contributions. State also provides funding to other organizations to support multinational forces, provide police monitors, enforce economic sanctions, and assist with refugees.

USAID provides humanitarian assistance through U.N. and private organizations and directly to individual countries in the form of food, medical care, and other humanitarian and economic recovery assistance. Agencies like USAID and the Department of Agriculture participate in these operations based on humanitarian needs. Their programs are often conducted in concert with peace operations. In Haiti, USAID supports an expanded feeding program and extended health services implemented through private voluntary organizations. It also supports efforts to help small farmers. In fiscal year 1995, it is sponsoring programs in 21 countries. However, not every effort is undertaken to support U.S. or U.N.-led peace operations. We excluded the costs of those programs unrelated to ongoing peace operations. For example, the United States has supported U.N. peacekeeping forces in Israel since 1948. However, we did not include a \$1.2 billion USAID program to provide economic support to Israel because the overall goal is not to support a U.N. peace operation.

GAO Other Civilian Agencies Involved in
Peace Operations

- Departments of Agriculture, Justice, Commerce, and Health and Human Services
 - Agricultural commodities and food
 - Disease control
 - Migrant processing
 - Departments of Treasury and Transportation
 - Sanctions enforcement
-

Other federal agencies play a more limited role in support of peace operations. The Department of Agriculture donates agricultural commodities to countries as part of the Food for Progress Program. Agriculture also provides concessional loans for the purchase of U.S. agricultural commodities as part of the Food for Peace Program. Although these commodities provide humanitarian relief, program participation is based on market development potential and food need rather than involvement in peace operations.

The Department of Justice expects to incur expenses associated with peace operations in Haiti, Bosnia, Somalia, and Cuba. For example, the Community Relations Service, an organization of the Department of Justice, has cooperative agreements with domestic voluntary agencies to assist Cuban and Haitian migrants. The Department of Commerce expects to broaden commercial programs and support for U.S. businesses in countries classified as peacekeeping areas, including Haiti and Macedonia. The Department of Health and Human Services provides disease control services in some countries where peace operations are ongoing.

The Department of the Treasury and the Department of Transportation also expect to incur expenses relating to peace operations. For example, the Coast Guard, an organization of the Department of Transportation, is providing support to the Navy in the enforcement of U.N.-U.S. sanctions in Southwest Asia. The Department of the Treasury provides personnel to enforce sanctions supporting the U.S. policy regarding the former Yugoslavia.

Costs and Funding for Peace Operations

GAO Estimated Costs For Peace Operations

Dollars in millions

<u>Agency/Department</u>	<u>Estimated fiscal year 1995</u>	<u>Unfunded</u>
Defense ^a	\$1,820.7	0
State	1,195.2	\$672.0
U.S. Agency for International Development	559.0	0
Agriculture	69.3	0
Justice	24.6	0
Treasury	2.0	0
Transportation (Coast Guard)	0.4	0
Commerce	0.2	0
Health and Human Services	<u>b</u>	<u>0</u>
Total	<u>\$3,671.4</u>	<u>\$672.0</u>

^aDOD operations include both activities in support of U.N.-authorized peace operations, such as the one in former Yugoslavia, and unilateral U.S. military operations, such as the operation in Cuba enforcing U.S. migration policy.

^bThe Department of Health and Human Services plans to spend about \$30,000 in fiscal year 1995.

The total estimated fiscal year 1995 cost of U.S. participation in peace operations is about \$3.7 billion. DOD has the largest portion of this amount, with \$1.8 billion in estimated incremental costs, or about 49 percent of the total estimated cost. DOD's estimated incremental costs include (1) special payments for imminent danger pay, family separation allowance, and foreign duty pay for troops deployed to certain peace operations; (2) operation and maintenance expenses in support of deployed forces; (3) the procurement of items such as forklifts and fire support vehicles; and (4) limited military construction at Guantanamo Bay, Cuba.

In addition to DOD's estimated 1995 incremental costs of \$1.8 billion, DOD estimates that it will pay \$274.4 million in costs related to fiscal year 1994 peace operations. These costs include \$126.3 million to liquidate Feed and Forage Act obligations¹ and \$148.1 million to replenish stock items used in 1994 in support of peace operations.² Also, DOD's estimated incremental cost for fiscal year 1995 does not include \$461.6 million for Operation Vigilant Warrior, the U.S. response to threatening Iraqi troop movements near Kuwait's border. We have not characterized this operation as a peace operation.

The State Department has the second largest estimated cost for peace operations, about \$1.2 billion, or about 32 percent of the total estimated U.S. costs. The bulk of the State Department's cost is the estimated U.S. share of special U.N. peacekeeping assessments (\$992.1 million), which is discussed in depth later in this report. State also incurs costs for additional voluntary peacekeeping contributions and for refugee programs.

The other U.S. agencies and departments that participate in peace operations had a combined estimated cost of \$655.5 million, or 18 percent of the total.³ USAID has the largest share of this estimated cost—\$559 million.

¹DOD invoked its Feed and Forage Act authority in fiscal year 1994, under 41 U.S.C. section 11, to incur obligations in advance of appropriations for expenses associated with Haiti.

²Regarding the replenishment of stocks, we previously reported that DOD's inventory management is 1 of 18 areas that are at "high risk" for fraud, waste, abuse, and mismanagement. We believe that substantial savings could be realized by reducing DOD's inventory of spare and repair parts, medical supplies, and other support items.

³We did not include costs that are reimbursed by DOD or the State Department. In addition, it should be noted that the proportion of estimated U.S. costs for DOD, the State Department, and other agencies and departments do not add due to rounding.

GAO DOD's Estimated Incremental Costs for Peace Operations

Dollars in millions

<u>Operation</u> ^a	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>	<u>Other</u>	<u>Total DOD</u>
Southwest Asia	\$ 45.7	\$ 60.8	\$ 461.4	\$ 11.0	\$ 578.9
Haiti	385.1	42.2	19.4	18.6	465.3
Cuba	81.0	241.6	32.8	14.7	370.1
Bosnia	41.4	49.9	211.7	8.9	311.9
Korea	0.5	30.6	25.0	2.9	59.0
Somalia	5.1	12.2	0	0	17.3
Rwanda	3.0	0	14.2	0	17.2
Commonwealth of Independent States	<u>1.0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
Total	<u>\$ 562.8</u>	<u>\$ 437.3</u>	<u>\$ 764.5</u>	<u>\$ 56.1</u>	<u>\$ 1,820.7</u>

^aAs mentioned previously, DOD's operations include both activities in support of U.N.-authorized peace operations, such as the one in former Yugoslavia, and unilateral U.S. military operations, such as operations in Cuba enforcing the U.S. migration policy.

Most of DOD's estimated incremental costs are for operations in four areas—Southwest Asia, Haiti, Cuba, and Bosnia. These costs total about \$1.7 billion, or 94 percent of DOD's total estimated incremental costs. Within Southwest Asia, DOD is participating in operations to (1) enforce U.N. sanctions against Iraq, (2) enforce the no-fly zone over both northern and southern Iraq, and (3) provide humanitarian relief to the population of northern Iraq.

Among the military services, the Army and the Air Force have the largest share of estimated incremental costs—\$562.8 million and \$764.5 million, respectively. Most of the Army's costs are for the operation in Haiti. Most of the Air Force's costs are for the operations in Southwest Asia and Bosnia. The Navy has estimated costs of \$437.3 million, most of which are for the operation involving Cuba. The combined estimated cost of other defense agencies, including the U.S. Special Operations Command, the Defense Health Program, and the Defense Intelligence Agency, is \$56.1 million, which is spread among several operations.

DOD's fiscal year 1995 incremental costs could be more than the estimated \$1.8 billion because of new or expanded operations. This was the case in fiscal year 1994. For example, in February 1994, DOD requested a supplemental appropriation of \$1.2 billion to cover anticipated incremental costs, primarily for operations in Somalia, Bosnia, Iraq, and Haiti. In July 1994, DOD requested another supplemental appropriation, which when approved totaled \$299.3 million, to cover costs for the new operations in Cuba and Rwanda. DOD ended fiscal year 1994 with final incremental costs of \$1.9 billion, or about \$410 million more than its supplemental requests.

GAO Estimated State Department Costs
for Peace Operations

Dollars in millions

	Estimated fiscal <u>year 1995 cost</u>	<u>Unfunded</u>
Special U.N. peacekeeping assessments	\$ 992.1	\$672.0
Additional peacekeeping assessments paid through regular U.N. budget	9.9	0
Other	<u>193.2</u>	<u>0</u>
Total	<u>\$1,195.2</u>	<u>\$672.0</u>

As previously discussed, the State Department has estimated costs of \$1.2 billion for peace operations. The bulk of these costs, \$992.1 million, is the estimated U.S. share of special U.N. peacekeeping assessments. An additional \$9.9 million is the estimated cost of supporting U.N. peacekeeping operations in Israel and India/Pakistan. The United States pays for this cost through its regular payment to the U.N. budget.

In its fiscal year 1995 appropriation, State received \$533.3 million to pay assessed expenses of international peacekeeping activities. The appropriation act permitted State to use some of this appropriation to pay arrearages accumulated in fiscal year 1994 and earlier periods. As of January 1995, State had paid \$213.2 million for these arrearages. The remaining \$320.1 million of its fiscal year 1995 appropriation was available to pay 1995 U.N. peacekeeping assessments. Based on its estimated share of special U.N. peacekeeping assessments, which as of March 1995 was expected to total \$992.1 million, State would have unfunded assessments of \$672 million.⁴ Legislation under congressional consideration would apply some of DOD's peace operation costs as credit toward U.N. assessments, although the United Nations would still assess the United States for 31.2 percent of the expenses of international peacekeeping.

Of the remaining \$193.2 million in estimated fiscal year 1995 costs, the majority (\$119 million) is for refugee programs in the former Yugoslavia, Mozambique, and Rwanda. The balance of State's estimated costs are for additional voluntary peacekeeping contributions, which are paid from State's other appropriated funds.

⁴The \$9.9 million in peacekeeping payments financed through the regular U.N. budget is fully funded.

GAO Factors That Could Affect U.N.
Peacekeeping Assessments

- U.N. estimates assume no major mission changes from prior fiscal year except for missions expected to end in 1995.
- Costs may increase due to new or expanded missions.

U.N. estimates of peacekeeping costs totaled \$3.2 billion for the 15 missions that were financed through special U.N. peacekeeping assessments and continued into 1995. According to U.N. officials, it is difficult to predict the costs of peace operations because events can change the nature of the mission and its costs. This estimate reflected the closure of three peacekeeping missions in early 1995; changes in the missions in Angola, Rwanda, and Western Sahara; and the maintenance of the other missions at their 1994 level throughout 1995. Regarding the closure of peacekeeping missions, the missions in Somalia and Mozambique closed in the first quarter of 1995 and the mission in El Salvador will end on April 30, 1995.

The expansion of existing missions or approval of new missions could increase U.N. peacekeeping costs and hence the U.S. share of those costs. The peace operation with the greatest uncertainty, complexity, and cost is the U.N. Protection Force in the former Yugoslavia, which includes Bosnia and Croatia. The United Nations estimated that maintaining the mission at its current level will cost \$1.7 billion in 1995; this amount is included in its total peacekeeping estimate of \$3.2 billion. On March 31, 1995, the United Nations restructured this mission under three separate mandates. Cost estimates for the missions under the separate mandates have not yet been developed.

In early February 1995, U.N. mission planners projected that several missions could undergo changes or expansions. For example, the mission in Lebanon could be reduced, while the missions in Angola, Haiti, Western Sahara, and Rwanda could expand. In addition, U.N. mission planners believe that Burundi, which is considered a "hot spot," could be the site of a new mission. The U.N. cost estimate reflects the expanded missions in Angola, Haiti, and Rwanda and a partial expansion in Western Sahara. No estimate is yet available for the cost of a mission in Burundi.

How DOD's Budget Supports Peace Operations

GAO DOD's Budget and Peace Operations

- DOD budgets to be ready to conduct military operations, but not to conduct them.
 - Defense programs can be divided into two major categories:
 - Investment
 - Support
 - Investment funding builds a stock of equipment and facilities.
 - Support funding provides the personnel and capability to operate and maintain the equipment.
-

Briefing Section III
How DOD's Budget Supports Peace
Operations

DOD does not budget for the cost of military operations or contingencies, including peace operations. It budgets to be ready to conduct such operations. The Congress provides DOD with annual appropriations, which enables it to be ready to conduct operations the National Command Authority directs. During fiscal years 1985-94, the Congress provided DOD with \$2.8 trillion for military programs.

The Congressional Research Service has reported that many analysts find it useful to divide defense programs into "investment" and "support" categories as a means of determining how much funding is devoted to the procurement of defense capital goods, such as weapons and facilities, and how much goes for programs to operate and maintain defense forces and equipment. Funding for each of these categories contributes to military capability in different ways.

Investment funding builds a stock of equipment and facilities that lasts for many years. The investment category encompasses the procurement; research, development, test, and evaluation; and military construction appropriation titles.

Support funding provides the manpower and other resources to operate and maintain the equipment. The effect of support funding on military capability is more temporary because training and maintenance must be done regularly to maintain armed forces at the required level of effectiveness. The support category encompasses the military personnel, operation and maintenance, and family housing appropriation titles.

GAO How Investment Funding Supports
Peace Operations

- Buy the equipment used in peace operations.
- Develop new equipment for future use.
- Build the facilities that will support the people and equipment when not deployed.

Briefing Section III
How DOD's Budget Supports Peace
Operations

Investment funding provides military personnel with the equipment they use in peace operations. The procurement title provides DOD with the funds to buy the weapons and other hardware needed for peace operations. U.S. military personnel have used a wide array of weapons and equipment in peace operations. Both the Army and the Marine Corps have used helicopters, tanks, armed personnel carriers, trucks, and other vehicles. The Air Force has used a wide array of aircraft, including the E-3 Airborne Warning and Control System for surveillance and command and control, F-15Es for enforcement of no-fly zones, and C-130s for transportation and airdrops of humanitarian aid. The Navy has used a wide array of ships and aircraft, including carrier battle groups and other major ships, in the enforcement of no-fly zones and sanctions.

The research, development, testing, and evaluation title provides DOD with funds to maintain state-of-the-art technology for its weapon systems, ships and aircraft, communication and intelligence equipment and systems, vehicles, and facilities. While it takes many years to develop new weapons, many of the aircraft, tanks, and other equipment cited above were developed with funding from this title. Recent efforts to develop less-lethal equipment for use in peace operations is also being funded from this title.

The military construction title provides funds for the construction of facilities related to all aspects of the lives of military personnel—living, working, training, and recreation. This title also provides troops with facilities while they are involved in peace operations.

DOD does not for the most part depreciate its equipment, nor does it have a system of applying costs for research and development or any other investment item to any specific operation. Therefore, it would be extremely difficult to estimate with any reasonable assurance what portion of the cost of investment items should be applied to peace operations.

GAO **How Support Funds Facilitate
Peace Operations**

- Pays military personnel.
- Train, sustain, and maintain forces.
- Provides for maintenance and leases of housing for military personnel and their families.

Briefing Section III
How DOD's Budget Supports Peace
Operations

Support funding pays military personnel and provides them with the capability to operate and maintain the equipment and facilities needed to participate in peace operations. The military personnel title funds the base pay and allowances of military personnel. Whether at their home station in the United States or abroad or deployed from their home station, military personnel draw the same base pay. When deployed to peace operations, they sometimes become eligible for special pay, such as imminent danger pay, which is part of the incremental costs of these operations.

The operation and maintenance title provides the funds to maintain normal operations, including training military troops to accomplish their missions. This training provides the military personnel that deploy to peace operations with the skills necessary to execute their part of the operations. Among other things, such as sustaining military personnel at their home stations, this title provides the funds to maintain weapons and other equipment so that they are ready to be used in peace operations.

The family housing title provides DOD funds to, among other things, operate, maintain, improve, and replace military family housing. This title supports the involvement of DOD's troops in peace operations by providing housing for their families and dependents.

Except for base military pay, which can be estimated with some precision, many assumptions would have to be made in order to allocate support costs to peace operations. For example, while it might be possible to allocate a portion of DOD's military training costs to peace operations—using a combination of DOD's total training costs compared to that portion of its personnel that were involved in peace operations—DOD does not have a system to accumulate and distribute such costs. Other parts of the support costs, such as the maintenance of facilities, would be even more difficult to approximate.

U.N. Peacekeeping Assessments

GAO Estimated U.S. Share of Special U.N. Peacekeeping Assessments

Dollars in millions

<u>Location of U.N. mission^a</u>	<u>U.S. assessed share of U.N. mission</u>
Golan Heights	\$ 10.3
Lebanon	44.8
Iraq/Kuwait	6.0
Angola	69.2
Western Sahara	27.8
El Salvador	5.6
Yugoslavia	506.0
Somalia	150.0
Mozambique	15.1
Cyprus	6.7
Haiti	56.1
Georgia	8.4
Rwanda	72.6
Tajikistan	1.5
Liberia	12.0
Total	<u>\$992.1</u>

^aThe United States will contribute an additional \$9.9 million for two peacekeeping operations—Israel and India/Pakistan—that are financed through the regular U.N. budget.

Major Contributors to This Report

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