U.S.-UN PRIORITIES FOR 2019

PROMOTING PEACE, PROJECTING STRENGTH:
THE U.S. AND THE UN IN 2019

CONGRESSIONAL BRIEFING BOOK
U.S. FINANCIAL CONTRIBUTIONS TO THE UN

Since its inception in 1945, the U.S. has been the UN’s largest financial contributor. As a permanent member of the Security Council and host of UN headquarters in New York City, the U.S. holds significant clout at the UN, and its leadership in providing financial support to the organization is a reflection of that influential role. Funding from Member States for the UN system comes from two main sources: assessed and voluntary contributions.

- **Assessed contributions** are payments that all UN Member States are required to make.\(^1\) These assessments provide a reliable source of funding to core functions of the UN Secretariat (see page 56) via the UN regular and peacekeeping budgets. In addition, the UN’s specialized agencies (see page 61) have their own assessed budgets.

- **Voluntary contributions** are not obligatory, but instead left to the discretion of individual Member States. These contributions are vital to the work of the UN’s humanitarian and development agencies—including the UN Children’s Fund (UNICEF), World Food Programme (WFP), UN Development Programme (UNDP), UN Refugee Agency (UNHCR), and UN Population Fund (UNFPA), among others—which do not have assessed budgets.

**ASSESSMENTS FOR THE UN REGULAR BUDGET AND SPECIALIZED AGENCIES**

The UN regular budget covers the UN’s core bodies and activities, including special political missions. The current assessment structure sets maximum (22 percent) and minimum (.001 percent) rates for Member States, with a country’s rate based on its ability to pay. That is determined by a complex formula which takes into account a Member State’s gross national income (GNI), GNI per capita, and several other economic indicators. Assessment rates are renegotiated and approved by the General Assembly every three years.

Given the U.S.’s high level of economic development and per capita income relative to other countries, it pays the maximum rate. Over time, the U.S. has negotiated several reductions in its share, most notably an agreement in 2000 to establish the current maximum and minimum assessment structure, essentially capping U.S. contributions at 22 percent. Prior to this agreement, the U.S. was assessed 25 percent of the regular budget.

The U.S. regular budget contribution is included under the State Department’s “Contributions to International Organizations” (CIO) account. In addition to the regular budget, CIO covers U.S. assessments for more than 40 other international organizations, including NATO, the International Atomic Energy Agency (IAEA), and the World Health Organization (WHO).

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\(^{1}\) Article 17, paragraph 2, of the UN Charter stipulates that: “The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly.”
PUTTING THE UN’S BUDGET IN PERSPECTIVE:

TOTAL UN REGULAR BUDGET FOR TWO YEARS
Less than what Americans spend on greeting cards for two years ($7.5b)

$5.4b

THE U.S. SHARE OF THE UN REGULAR BUDGET
Less than the city of Tulsa, Oklahoma’s FY ’19 budget ($859m)

$600m

THE U.S. SHARE OF THE UN PEACEKEEPING BUDGET
Less than what Americans spent on Easter candy in 2017 ($2.6b)

$2.0b

TOTAL UN PEACEKEEPING BUDGET
Less than the state of Rhode Island’s FY ’19 budget ($9.4b)

$7.1b

ASSESSMENTS FOR THE UN PEACEKEEPING BUDGET

Like the regular budget, peacekeeping assessments are based on a Member State’s ability to pay, with one major difference: the five permanent members (P5) of the Security Council—the U.S., U.K., China, France, and Russia—shoulder a higher proportion of peacekeeping costs relative to what they pay for the regular budget. Since the P5 hold veto power over Security Council decisions, in effect no UN peacekeeping mission can be deployed without their support. The P5’s higher financial responsibility is therefore meant to reflect its unique role in authorizing peacekeeping missions and crafting their mandates.

Similar to the regular budget, peacekeeping rates are revised every three years, and new assessment rates for 2019-2021 were approved in December 2018. Over the past two decades, the U.S. rate has decreased from a high of 31.7 percent in 1994 to the 27.9 percent rate in effect today. At the same time, other countries have seen their assessment rates increase. For example, over the last decade, China’s has risen dramatically, from just 3.1 percent in 2008 to 15.2 percent in 2019, a testament to its growing economic clout.

U.S. contributions to the UN peacekeeping budget are included under the State Department’s “Contributions for International Peacekeeping Activities” (CIPA) account. In addition, Congress includes U.S. assessments for the UN Support Office in Somalia (UNSOS)—an entity that provides logistical support and equipment to the African Union led peacekeeping force in Somalia—under the Peacekeeping Operations (PKO) account.

Since the mid-1990s, federal law has capped U.S. contributions to peacekeeping at 25 percent. As a result, Congress must revisit the issue every year during the appropriations process. While on numerous occasions Congress has decided to waive the cap, there have been several instances where the cap has remained in place, and the U.S. has accrued arrears. Most recently, Congress failed to lift the cap in Fiscal Years 2017-2019, causing the U.S. to take on an estimated $750 million in peacekeeping debt. Building up arrears risks undermining missions that are squarely in our national interests; alienating countries that contribute troops to UN peacekeeping operations, including U.S. allies; and ceding our ability to shape UN peacekeeping activities to reflect our nation’s priorities and values to adversaries like Russia and China. As such, Congress must address these underpayments by lifting the cap and appropriating sufficient funds to pay our back dues.
## RECENT FUNDING HISTORY
FOR SELECT UN-RELATED ACCOUNTS

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THE IMPORTANCE OF ASSESSED FUNDING FOR THE UN

U.S. financial contributions to the UN system makes up just over 0.2% of the federal budget. In any given year, the majority of these contributions are voluntary. For example, the State Department’s report on U.S. contributions to international organizations in Fiscal Year 2017 shows a total of $2.6 billion in dues payments to the UN regular budget, peacekeeping operations, and specialized agencies from the Contributions for International Peacekeeping Activities, Contributions to International Organizations, and Peacekeeping Operations accounts. This represents just 27 percent of all U.S. contributions to the UN that year, which totaled more than $9.7 billion. By contrast, five UN humanitarian agencies—the World Food Programme (WFP), UN Refugee Agency (UNHCR), UN Children’s Fund (UNICEF), the International Organizations for Migration (IOM), and the UN Relief and Works Agency for Palestine Refugees (UNRWA)—all of which are voluntarily funded, collectively received nearly $5.2 billion from the U.S. in FY’17 (53 percent of the total).

Despite their relatively small slice of an already modest pie, however, assessed contributions have been criticized by some in Washington. Legislation has been repeatedly introduced in Congress (though never passed) conditioning future U.S. contributions on the UN adopting an almost entirely voluntary funding scheme. In addition, some officials in the current administration have spoken favorably about the U.S. adopting an a la carte approach to funding core UN programs. Such proposals are counter-productive: contrary to the claims of its proponents, an entirely voluntary funding structure for the UN is unlikely to save the U.S. money in the long-run and could lead to significant budgetary shortfalls for UN activities that are squarely in our national interest. More detail is provided below.

ASSESSED FUNDING STRUCTURES REQUIRE OTHER COUNTRIES TO SHARE THE FINANCIAL BURDEN

A major advantage of assessed funding is that it ensures the financial burden for core UN activities is spread across the entire international community, rather being than the primary responsibility of a single country. As explained in the previous section (see page 47), because the U.S. is both an economic powerhouse and permanent member of the UN Security Council, we are assessed a sizable chunk of the UN’s regular and peacekeeping budgets. Nevertheless, the UN’s 192 other Member States shoulder the vast majority of these costs—78 percent of the regular budget and 72 percent of the peacekeeping budget. The fact that all Member States, even the least developed, are required to contribute to the organization at specified levels prevents the U.S. from being saddled with the burden of financing these activities alone. By contrast, the U.S. often pays more under voluntary funding arrangements—one reason why past U.S. administrations and Congress have rejected this idea.

U.S. LEADERS AND EXPERTS AGREE THAT VOLUNTARY FUNDING IS PROBLEMATIC

Successive administrations and outside experts have recognized the limitations inherent in voluntary funding structures. The 2005 Congressionally-mandated Newt Gingrich-George Mitchell report on UN reform noted that such schemes are often slow and lead to U.S. priorities being underfunded. Later that year, the House passed The United Nations Reform Act of 2005, which proposed that the U.S. automatically withhold dues from the UN unless certain specific reforms were met, including switching to a system of voluntary financing. The Bush Administration issued a Statement of Administration Policy which said that it had “serious concerns” about the legislation because it “could detract from and undermine our efforts,” requesting “that Congress reconsider this legislation.”
VOLUNTARY FINANCING COULD LEAD TO SHORTFALLS FOR U.S. PRIORITIES

The UN’s assessed budgets fund a number of the organization’s most consequential activities that support U.S. national security and foreign policy objectives, including special political missions in strategically significant countries like Afghanistan, Iraq, Libya, and Somalia, as well as peacekeeping operations that seek to protect civilians and bring stability to hotspots on four continents. The reality is that any government or large organization needs stability and predictability in its budget. In particular, planning for large and logistically complex operations like peacekeeping efforts require significant lead time and preparation that can only happen with assured funding streams. In the U.S., assessments, in the form of taxes, fund our own military.

Adoption of voluntary funding arrangements for the UN’s regular, peacekeeping, and specialized agencies budgets would almost certainly lead to underfunding. For example, the UN’s voluntarily-financed humanitarian and global health activities, far less controversial than the UN’s peacekeeping and human rights work, have suffered from a lack of sufficient financial contributions. In 2017, for example, WFP needed more than $9.6 billion to deliver lifesaving food aid and nutritional support to tens of millions of people around the world, but received only $6.8 billion from donors, of which the U.S. provided $2.5 billion. A similar situation played out several years ago with funding for the World Health Organization (WHO), which has a relatively small assessed budget and relies on voluntary contributions for the majority of its work. In 2009, due in part to donor countries turning their interests elsewhere, WHO’s epidemic and pandemic response department was dissolved. As a result, when several West African countries experienced an unprecedented Ebola outbreak in 2014, the problem was magnified because sufficient resources and infrastructure did not exist.

By creating a more level playing field and requiring all Member States to contribute, assessed funding structures help to prevent these types of gaping shortfalls, which would likely be even deeper for more politically fraught activities that are crucial to U.S. interests.
In 2018, the UN General Assembly signed off on what UN Secretary-General António Guterres has described as the most significant structural change in the history of the UN. The changes are needed, the Secretary-General and others have argued, to better meet the challenges of the 21st century and ensure that Member State resources are used most effectively.

UN reform centers around three pillars: (1) repositioning the UN development system so that it is best able to make progress on the 2030 Sustainable Development Goals; (2) pursuing management reform that simplifies processes, works toward gender parity, streamlines human resources procedures and generally creates a more efficient organization; and (3) restructuring peace and security operations to better meet modern day challenges. Provided below are a selection of initiatives underway that are part of the broader reform agenda.

**REDUCING COSTS AND IMPROVING EFFICIENCY**

In December 2017, the General Assembly approved the 2018-2019 UN regular budget, which covers the organization’s core activities and expenses. Overall, the budget for this two-year cycle totals $5.397 billion, a reduction of $285 million (5 percent) from the final 2016-2017 appropriation. In addition, the General Assembly approved new management reforms, including a proposal to move the UN from a biennial to annual budget cycle on a trial basis, beginning in 2020. This shift, strongly advocated for by the Secretary-General, is meant to allow spending and resource requirements to be prepared closer to the point of implementation, so that budgets are based on more up-to-date information and better able to integrate lessons learned.

The goal of reform is a 21st-century United Nations focused more on people and less on process, more on delivery and less on bureaucracy. The true test of reform will be measured in tangible results in the lives of the people we serve—and the trust of those who support our work.

ANTÓNIO GUTERRES
UN Secretary-General
November 27, 2018
The UN has also successfully worked to increase the cost-efficiency of its peacekeeping missions. For example, the UN implemented the Global Field Support Strategy (GFSS), a five-year project (2010-2015) aimed at improving the efficiency, cost-effectiveness, and speed of administrative and logistics support to UN field missions. As a result, the cost per peacekeeper declined by 18 percent between 2008 and 2015, and the number of support and security staff in peacekeeping missions declined by 4,000.

The 2018-2019 budget for UN peacekeeping operations approved by the General Assembly is $7.1 billion, a steep reduction from prior years (during the 2014-2015 budget year, for example, the peacekeeping budget was $8.5 billion). Despite its wide geographic scope (14 missions on 4 continents) and size (nearly 90,000 total uniformed personnel), the annual budget of UN peacekeeping is less than 0.5 percent of global military expenditures.

WORKING TOWARDS GENDER PARITY IN UN STAFFING

A key priority of Guterres' management reform agenda is the creation of a more diverse, inclusive, and gender-balanced UN workforce. In January 2018, the UN achieved a critical milestone: reaching full gender parity in the Secretary-General's senior leadership. Also in 2018: the organization achieved the highest number of women as of heads of missions and as deputy heads of missions in peace operations in its history.

ADDRESSING SEXUAL EXPLOITATION AND ABUSE BY PEACEKEEPERS

In recent years, the UN has implemented a number of measures and policy changes to address the scourge of sexual exploitation and abuse (SEA), including:

- Appointing victims' rights advocates, both at UN Headquarters and in the field, who work across the UN system to make sure victims have access to urgent assistance, can file complaints safely and reliably, and get timely information on the progress of their case;
- Repatriating entire military or police units to their home countries when there is evidence of widespread or systematic violations by members of specific units;
- Expanding vetting mechanisms currently in place for civilian personnel to cover all troops and police serving on UN peacekeeping missions;
- Publishing country-specific data on credible allegations of SEA online, a critical element in holding countries that contribute troops and police to peacekeeping missions accountable for the actions of their personnel;
- Requiring UN investigative entities to conclude their investigations into SEA cases within a six-month timeframe, shortened to three months in cases suggesting “the need for greater urgency”;
- Developing a mandatory online training program for all UN personnel on SEA prevention;
- Creating a trust fund to support critical services to victims of SEA, including psychological assistance, medical care, access to legal help and assistance in establishing paternity claims; and
- Withholding payments from Member States in cases of substantiated sexual exploitation and abuse implicating uniformed personnel, which are transferred to the victims’ trust fund.
IMPACT OF THE UNITED NATIONS IN 2019

Each year, the UN:

- Provides food aid to 91 million people in 83 countries
- Supplies vaccines to 45 percent of the world’s children
- Assists over 68.5 million refugees and people fleeing war, famine, or persecution
- Works with 195 countries to combat climate change and make development sustainable
- Keeps the peace with 91,000 peacekeepers in 14 operations on 4 continents
- Fights extreme poverty, helping improve the lives of more than 1.1 billion people
- Supports maternal health, helping over 1 million women a month overcome pregnancy risks

And through all of the good that the UN does, it is a resoundingly good bargain for the U.S.:

0.2%
Funding for the UN amounts to 0.2 percent of the total FY ‘18 federal budget

1,740,000,000
U.S. companies were awarded more than one billion dollars in contracts with the UN in 2017