

# CRS Issue Brief for Congress

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## **U.N. System Funding: Congressional Issues**

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## U.N. System Funding: Congressional Issues

### SUMMARY

Congressional debate over U.N. funding focuses on the following questions: (1) What is the appropriate level of U.S. funding for U.N. system operations and programs? (2) What U.S. funding actions are most likely to produce a positive continuation of U.N. system reform efforts?

The U.N. system includes the parent U.N. organization, a number of affiliated agencies, voluntary funds and programs, and peacekeeping operations. Participating states finance the system with voluntary and assessed contributions. For nearly 60 years, the United States has been the single largest financial contributor to the U.N. system.

Both Congress and the executive branch have been pressing U.N. system organizations to reform, especially to improve management and budgeting practices. Indeed, Congress linked payment of U.S. financial arrears to U.N. reforms. In recent years the United Nations have been undertaking many reforms including a restructuring of its financial assessment system, allowing the United States to pay some of its arrears.

**FY2005.** The Bush Administration requested \$1.194 billion for U.S. assessed contributions for international organizations (CIO); \$650 million for assessed contributions for U.N. peacekeeping activities (CIPA); and

\$304.45 million for voluntary contributions for the international organizations and programs (IO&P) account. In addition, \$53 million was requested for voluntary contributions to IAEA in another account.

**FY2004.** P.L. 108-199, the Consolidated Appropriations Act for FY2004 included \$1.010 billion for U.S. assessed contributions to international organizations (CIO); \$550.2 million for assessed contributions to U.N. peacekeeping activities (CIPA)); and \$321.65 for voluntary contributions for the international organizations and programs account. In addition, \$53 million for voluntary IAEA programs was appropriated in another account.

**FY2003.** Appropriations for U.S. assessed contributions for FY2003 for international organization regular budgets and for U.N. assessed peacekeeping operations were included in P.L. 108-7 (H.J.Res. 2), the Consolidated Appropriations Resolution. The measure included \$866 million for regular budgets; \$673.71 million for peacekeeping; and \$195.15 million for voluntary contributions to the international organizations and programs account. In addition, \$120 million for UNICEF and \$52.9 million for voluntary IAEA programs were provided in other accounts.

## **MOST RECENT DEVELOPMENTS**

On July 8, 2004, by vote a vote of 397 to 18, the House passed H.R. 4754 appropriating \$1.194 billion for U.S. assessed contributions to international organizations (CIO) and \$650 million for assessed contributions to U.N. peacekeeping activities (CIPA), the amounts requested by President Bush. On July 15, by a vote of 365 to 41, the House passed H.R. 4818 appropriating \$323.45 million for voluntary contributions to the international organizations and programs (IO&P) account.

## **BACKGROUND AND ANALYSIS**

The United States has been, and remains, the single largest contributor to the U.N. system. For calendar year 2002, U.S. contributions to the U.N. system totaled more than \$3.0 billion. The total included about \$533 million in assessed contributions to the U.N. regular budget and U.N. affiliated agencies; about \$750 million in assessed contributions to U.N. peacekeeping activities; about \$50 million for war crimes tribunals; and about \$1.7 billion in voluntary contributions to U.N.-affiliated organizations and programs. In recent years, however, Congress has been pressing to reduce U.S. funding for many U.N. system programs. Congressional debate over U.N. funding is focused on the following questions: 1) What is the appropriate level of U.S. funding for U.N. system operations and programs? 2) What U.S. funding actions are most likely to produce a positive continuation of U.N. system reform efforts? 3) How should the United States address its accumulated arrearages?

## **U.N. System Financing**

The United Nations (U.N.) system is made up of variously interconnected components including specialized agencies, voluntary funds and programs, peacekeeping operations, and the parent United Nations organization itself. The system is financed by contributions from participant states. The contributions are usually made in two ways: more than half are voluntary contributions and the rest are assessed contributions — required “dues” at levels established by the membership of the organizations involved.

Assessed contributions finance the regular budget of the United Nations, the Specialized Agencies, and the International Atomic Energy Agency (IAEA). Financial assessments are one of the legal obligations accepted by a country when it joins one of these organizations. Thus, the organizations have a regular source of income from their members to enable them to carry out authorized programs. Most current peacekeeping operations are funded through special assessed accounts. U.S. assessed contributions are included within the State Department’s budget. Congress authorizes these funds as part of the “Foreign Relations Authorization Act” and appropriates the money in the “State, Justice, Commerce, and Judiciary” appropriations legislation. The regular assessed budgets of U.N. system organizations as well as regional and other non-U.N. organizations are included in the contributions to international organizations (CIO) account, while peacekeeping is funded in the contributions to international peacekeeping activities (CIPA) account.

Voluntary contributions finance special programs and special apparatus created by the U.N. system, such as the United Nations Development Programs (UNDP), the United Nations Environment Program (UNEP), the United Nations Children's Fund (UNICEF), and the U.N. Population Fund (UNFPA). These contributions are entirely up to the individual country, and no country is obliged to contribute to these programs. U.S. voluntary contributions are financed through the foreign assistance authorization and appropriation legislation.

## **U.N. Assessed Budgets**

### **Scale of Assessments**

The regular budgets of the U.N. and specialized agencies are funded by required contributions from member states. The United States is required by Article 17 of the U.N. Charter (a treaty ratified by the United States on August 8, 1945) to contribute to the expenses of the organization. The scale of assessments — which is based generally on a country's capacity to pay — requires the United States to pay the maximum or 22% of the U.N. regular budget, while 48 members pay the minimum or 0.001%. The U.S. assessment for 2004 is \$362.85 million. Regardless of the size of assessment, each member has one vote on U.N. budget decisions, although budgets since 1988 have been adopted by consensus.

Specialized agencies, while linked to the United Nations, are autonomous in executive, legislative, and budgetary powers. Some agencies follow the U.N. scale in making assessments; other agencies use their own formulas, which often result in lower U.S. assessments.

If there were no maximum and minimum assessment levels for the U.N. regular budget and charges were based exclusively on a ratio of a country's gross national product, the United States would be assessed about 30% and some very small and poor countries might be assessed less than 0.001%. In 2004, the top 3 contributors (United States, Japan, and Germany) were assessed a total of 50.13% of the U.N. regular budget. The top 10 contributors (paying 76.44% of the total) to the regular U.N. budget according to the scale of assessments adopted by the General Assembly for 2004 were as follows.

**Table 1. Top Ten U.N. Regular Budget Contributors for 2004**

<b>Member State</b>	<b>Percent of Budget</b>	<b>Assessments for 2004 in millions of U.S.\$</b>
United States*	22.00	362.85
Japan	19.47	321.09
Germany	8.66	142.87
United Kingdom*	6.13	101.05
France*	6.03	99.45
Italy	4.89	80.57
Canada	2.81	46.40
Spain	2.52	41.56
China*	2.05	33.86
Mexico	1.88	31.06

\*Permanent members of the U.N. Security Council

For 2004, the other permanent member of the Security Council, the Russian Federation, was assessed at 1.10%, \$18.14 million.

## **U.N. Reform**

Because of unpredictable, partial and in some cases, non-payment of assessed contributions by member countries, the United Nations functions under cash shortage problems. Many see resolution of the financial crisis as inextricably linked to U.N. system reform and restructuring. Some argue that serious reform initiatives can strengthen the confidence of member countries in the ability of the organizations to use funds effectively. Others, however, warn that without timely payment of adequate funds, the system may not function effectively.

**U.S. Role in U.N. Reform.** The U.S. government has pressed for U.N. reform and linked payment of arrears to reforms. High-level negotiations between the Clinton Administration and congressional leaders led to agreement on an arrearage payment plan linked to reform “benchmarks” (popularly known as the Helms-Biden agreement). The 106<sup>th</sup> Congress enacted P.L.106-113 including a Helms-Biden agreement conditioning arrears payments on U.N. reforms.

**U.N. Reform Efforts.** In 1994, the General Assembly established an Office of Internal Oversight Services headed by an Under-Secretary General appointed by the U.N. Secretary-General with the approval of the General Assembly. Nine annual reports on the activities of the office through June 30, 2003, have been submitted to the General Assembly, and the Office has undertaken an increasing number of monitoring, auditing, and investigative activities.

In 1997, U.N. Secretary-General Kofi Annan announced a two-track reform program. The first track included immediate managerial changes within the Secretary-General’s authority to affect, while the second track included reform measures requiring consultation

and/or approval by U.N. member governments. Among the first track initiatives were: reducing the budget, staffing levels, and documentation; creating a code of conduct for U.N. staff; reorienting the Department of Public Information; consolidating administrative, financial, personnel, procurement and other services; consolidating economic and social departments; streamlining technical support; and improving integration of development activities at the country level.

Second track proposals focused on U.N. core missions, and on improving management and efficiency. They included creating a new management and leadership structure by establishing a Deputy Secretary-General, a Senior Management Group, and a Strategic Planning Unit; overhauling human resources policies and practices including changing the management culture, eliminating 1000 jobs and reducing administrative costs; and promoting sustainable development as a central U.N. priority. The proposals also called for improving peacekeeping and strengthening post-conflict peace-building capacity; bolstering international efforts to combat crime, drugs and terrorism by consolidating activities in Vienna; establishing a Department for Disarmament and Arms Regulation; enhancing humanitarian activities by replacing the Department of Humanitarian Affairs; and revamping public information functions. The proposals also called for the following: refocusing the work of the General Assembly on priority issues and reducing the length of sessions; establishing a ministerial-level commission to review the U.N. Charter and specialized agency constitutions; and designating the General Assembly session in the year 2000 as “a Millennium Assembly” to focus on preparing the United Nations for the 21st century.

The U.N. General Assembly in 1997 affirmed many policy formulation and management changes proposed by Secretary-General Annan including establishing a Deputy Secretary-General post. Louise Frechette of Canada was named to the Deputy post. In 2001, Secretary-General Annan (whose first term expired at the end of 2001) was elected to another five-year term. In September 2002, Secretary-General Annan submitted a report calling for additional reforms.

The former U.N. Under Secretary-General for Administration and Management, Joseph Connor (an American, formerly with Price Waterhouse) took substantial measures to improve the functioning and efficiency of the U.N. bureaucracy. He was succeeded in January 2003 by another American, Catherine Bertini. U.N. Secretariat staff has been cut from about 12,000 in 1985 to less than 9,000 today. The 1998-99 U.N. budget (\$2.532 billion or a little less than \$1.3 billion per year) was smaller than that for 1996-97 (\$2.608 billion), and the 1994-95 budget (\$2.632 billion). The budget for the 2000-2001 biennium was \$2.562 billion and that for 2002-2003 is \$2.891 billion. The budget for 2004-2005 is \$3.16 billion.

## **U.S. Withholding**

Beginning in 1980, Congress prohibited contribution of the U.S. proportionate share for a number of U.N. programs and activities of which Congress did not approve including for the Special Unit on Palestinian Rights, for projects benefitting the Palestine Liberation Organization (PLO), the South West Africa People's Organization (SWAPO), construction of a conference center in Addis Ababa, Ethiopia, for the Second Decade to Combat Racism and Racial Discrimination, and for implementation of General Assembly Resolution 3379 (XXX) (racism equals Zionism). In addition, the Administration withheld the U.S.

proportionate share of funds for the Preparatory Commission for the Law of the Sea and funds relating to taxes paid by U.S. citizens employed by the United Nations.

In addition, beginning in 1993, the United States recognized a lower peacekeeping assessment level than applied by the United Nations, and since October 1, 1995, was limited by U.S. law (sec. 404 of P.L.103-236) to a 25% peacekeeping assessment level. Section 402 of P.L.107-228 (signed into law on September 30, 2002) raised the 25% cap on U.S. peacekeeping assessments allowing payment of U.S. current peacekeeping assessments in full. The only current U.S. withholding for the U.N. regular budget is for programs benefitting the PLO.

## **Arrearages**

Under Article 19 of the U.N. Charter, countries with arrears totaling more than the member's assessments for the two preceding years lose their vote in the U.N. General Assembly. As of February 14, 2003, 19 countries were in that status.

According to the United Nations, despite recent U.S. arrears payments, the United States (as of December 31, 2003), still owed assessed contributions of \$762.1 million (\$267.9 million for the U.N. regular budget, \$12.0 million for International Tribunals, and \$482.2 million for peacekeeping). The U.S. government, however, because of U.S. statutory and policy withholdings, estimated that U.S. outstanding contributions are lower than the U.N. figures.

## **U.N. Arrears in Recent Legislation**

P.L. 106-113 incorporated the Helms-Biden agreement and authorized appropriations for payment of U.S. arrears to international organizations provided certain conditions were met and certified by the Secretary of State. The agreement authorized payment of \$819 million (\$100 million of FY1998 funds, \$475 million of FY1999 funds, and \$244 million of FY2000 funds), and authorized \$107 million owed by the United Nations to the United States for peacekeeping to be forgiven provided the United Nations applied it to reduce U.S. arrears.

P.L. 106-113 required that State Department certification for release of FY1998 funds include stipulations that neither the United Nations nor any U.N. affiliated agency has required the United States to violate the Constitution or cede sovereignty, taxed U.S. nationals, created a standing army, charged the United States interest on arrears, borrowed externally, or exercised authority or control over any U.S. national park, wildlife preserve, monument or property. In December 1999 the certification was made and \$100 million was paid to the United Nations.

Release of FY1999 appropriated arrearage funds required additional certification that the assessment ceiling for the U.N. regular budget had been reduced to 22% and to 25% for U.N. peacekeeping.

In December 2000 the U.N. General Assembly agreed on a financial restructuring of both the regular and peacekeeping assessment structures. As a result the U.S. share of the



regular budget was reduced from 25% to 22% and for peacekeeping from about 30.4% to 28.14%, initially, and falling somewhat lower in subsequent years.

The changed assessment scale met the requirement of the Helms-Biden agreement for reduction of the regular budget scale to 22%, in order to release the second tranche of arrears payment. The new peacekeeping scale, however, while a substantial reduction, did not meet the Helms-Biden requirement of 25%. On October 5, 2001, the President signed into law P.L. 107-46 (S. 248) which raised the percentage for U.S. peacekeeping assessments from 25 to 28.15 as a condition for release of arrears funds, thereby making available \$582 million (FY1999 appropriations of \$475 million, plus \$107 million credit to the United Nations against U.S. arrears).

However, because of another existing statutory prohibition on U.S. payment of more than 25% of U.N. assessed peacekeeping costs (sec. 404, P.L. 103-236), the United States continued to build up arrears in its assessed peacekeeping payments. P.L. 107-228 (H.R. 1646), the Foreign Relations Authorization for FY2003, changed the allowable level for U.S. peacekeeping assessments as follows: for calendar year 2001, 28.15%; for calendar year 2002, 27.9%; for calendar year 2003, 27.4%; and for calendar year 2004, 27.4%. The 25% cap would be restored thereafter.

Payment of the third installment of U.S. arrears from FY2000 appropriations required certification that the United Nations and designated U.N. specialized agencies (FAO, ILO, and WHO) had reduced the maximum assessment levels to 20% (waivable to 22%, in effect) and had instituted a number of other administrative reforms.

P.L. 107-228 also amended the Helms-Biden agreement to allow the third and last installment of arrears to be paid to each international organization upon certification of the conditions established for that agency or immediately if no conditions applied. Certification was made on October 21, 2002, and the final \$244 million was paid (\$30 million for U.N. peacekeeping arrears and the other \$214 million to other international organizations including U.N. system agencies).

## **FY2005 Funding for U.N. Assessed Budgets**

H.R. 4754 as passed by the House (397 to 18) on July 8, 2004 appropriated \$1.19421 billion for U.S. assessed contributions to international organizations (CIO) and \$650 million for U.S. assessed contributions to U.N. peacekeeping activities (CIPA). During House floor consideration of the bill, a number of amendments were offered to cut CIO funding. On July 7, Representative Paul's amendment to prohibit funds for UNESCO failed by a vote of 135 to 333, and his amendment to prohibit U.S. contributions to the United Nations or U.N. affiliated agencies failed by a vote of 83 to 335. The next day, Representative Smith's (Michigan) amendment to reduce CIO funding by \$20 million to express concern about the alleged corruption in the U.N. Oil-for-Food program failed by vote of 129 to 291.

On July 1, 2004, the House Committee on Appropriations reported H.R. 4754 as an original measure. The Committee recommended full funding for CIO and CIPA. The Committee expressed its support for the U.S. policy of zero nominal growth budgets for international organizations and noted that if the United Nations proposed exceeding its \$3.16 billion biennial budget, the Committee should be notified before consideration and adoption

of such a proposal. While recommending full payment of U.S. assessed U.N. budget dues, the Committee expressed concern about allegations of corruption in the U.N. Oil-for-Food Program; U.N. need to do more about the crises in Sudan; and charges of sexual abuse of minors related to U.N. peacekeeping operations. The Committee included \$6 million for costs of a direct loan to the United Nations for costs of renovation U.N. headquarters in New York to subsidize up to \$1.2 billion total loan principal.

The Bush Administration requested \$1.19421 billion for U.S. assessed contributions to international organizations (CIO) of which \$819.0 million was for assessed U.N. system organizations including \$362.2 million for the U.N. regular budget and \$6.0 million for the U.N. Capital Master Plan, a loan subsidy relating to the renovation of the U.N. headquarters complex in New York. In addition \$650 million was requested for assessed contributions to U.N. peacekeeping activities (CIPA).

## **FY2004 Funding for U.N. Assessed Budgets**

**Appropriations.** P.L. 108-199 (H.R. 2673), the Consolidated Appropriations Act for FY2004, included \$1.010,463 billion for assessed contributions for the international organizations (CIO) account, and \$550.2 million for assessed contributions for the contributions to U.N. peacekeeping activities (CIPA) account. The measure included a requirement that non-defense spending be cut by 0.59% across the board.

On September 5, 2003, the Senate Appropriations Committee reported (S.Rept. 108-144) on S. 1585 making appropriations for the Departments of Commerce, Justice, and State including assessed contributions for international organizations and U.N. peacekeeping operations. The Committee recommended \$921.888 million for assessed contributions to international organizations and \$482.649 million for U.N. peacekeeping activities. The Committee deleted \$71.429 million requested funding for U.S. return to UNESCO, noting that the Committee did not consider UNESCO reformed. The Committee report directed that the Inspector General of the Department of State conduct an annual audit of UNESCO to determine the status of reform; the qualifications of UNESCO's staff; its procedures for hiring and promoting personnel, a detailed breakdown of expenditures; and how U.S. membership would advance the goals of the organization and U.S. priorities.

The Senate Appropriations Committee also deleted \$11.779 million from requested funding for the U.N. regular budget because the Committee did not want to provide funding for the U.N. Human Rights Commission which in its view had too long been dominated by known human rights violators. In addition, of the funds made available for U.S. contribution to the U.N. regular budget, \$10 million is to be for reimbursement of the city of New York for unanticipated costs in providing protection to foreign officials associated with the United Nations in the aftermath of September 11, 2001. The Committee also expressed its views on war crimes tribunals. It directed the International Criminal Tribunal for Rwanda (ICTR) to complete its work by 2004 and the International Criminal Tribunal for the former Yugoslavia (ICTY) to complete its work by 2006. The Committee also expressed its support for the Special Court for Sierra Leone and directed the United Nations Mission in Sierra Leone (UNAMSIL) to provide the necessary support for the Court.

On July 23, 2003, the House passed H.R. 2799 (400-21) making appropriations for the Department of Commerce, Justice, and State for FY2004, including \$1.010 billion for

assessed contribution to international organizations (CIO) and \$550.2 million for assessed contributions to U.N. peacekeeping activities (CIPA). In its report (H.Rept. 108-221) on this measure, the Committee on Appropriations included the full amount requested by the President for U.S. return to UNESCO. The Committee noted that it expects the Department of State to work aggressively to ensure that UNESCO employs more Americans, especially at senior levels, and if the 2004-2005 UNESCO budget is increased that the increase should focus on management and administrative reforms identified by the General Accounting Office. The Committee also urged the Department of State to consider the appointment of a single representative with the rank of ambassador to represent the United States at UNESCO and at the Organization for Economic Cooperation and Development in Paris, France.

During floor debate on H.R. 2799, an amendment offered by Representative Paul to strike funding for UNESCO was defeated by a vote of 145 to 279.

For FY2004 President Bush requested \$1.010 billion for the CIO account, of which \$745.8 million is for assessed contributions to U.N. system organization (of which \$340.7 million is for the U.N. regular budget), and \$550.2 million is for assessed contributions to the CIPA account.

**Authorizations.** On July 16, the House passed H.R.1950 (382-42) authorizing appropriations for assessed and voluntary contributions to international organizations. As passed the measure authorizes \$1.010 billion for FY2004 and \$1.041 billion for FY2005 for the CIO account; \$550.2 million for FY2004 and such sums as may be necessary for FY2005 for the CIPA account. It also recommended such sums as may be necessary to offset adverse currency fluctuations. The House endorsed raising the cap on U.S. assessed peacekeeping contributions to 27.1% for assessments during calendar years 2005 and 2006. The measure as passed also includes the U.S. International Leadership Act of 2003 to strengthen U.S. multilateral diplomacy and directed the President to seek to reform the criteria for leadership in international organizations and multilateral institutions to exclude from leadership positions in such organizations, countries which sponsor international terrorism or are under U.N. Security Council sanctions. The legislation also called for submission of a plan by the President within 180 days of enactment relating to making U.S. contributions to certain international organizations at the beginning of the calendar year.

As passed H.R. 1950 expressed the view that in returning to UNESCO the United States should take steps to ensure the following: increased U.S. employment at UNESCO especially at senior levels; creation of a Deputy Director for Management position to be filled by an American; increases in UNESCO budget level beyond zero nominal growth for 2004-2005 focus primarily on adoption of management and administrative reforms; and that the U.S. contribution for the last quarter of calendar year 2003 be spent on key education and science priorities directly of benefit to U.S. interests. Each member of UNESCO is required to establish a "National Commission." H.R. 1950 updated the 1946 law governing the U.S. National Commission for UNESCO.

During House consideration, an amendment to prohibit funding for U.S. contributions to the United Nations or any affiliated agency was defeated by a vote of 74 to 350, and an amendment to reduce the U.S. assessment to the largest assessed contribution of any other permanent member of the U.N. Security Council was defeated by vote of 187 to 237.

On April 24, 2003, the Senate Committee on Foreign Relations reported S. 925 authorizing appropriations for FY2004 for the Department of State, including assessed contributions to international organizations (CIO) and U.N. peacekeeping activities (CIPA). The committee recommended funding at the level requested by the President \$1.010 billion for the CIO account — \$745.8 million for assessed contributions to U.N. system organizations (of which \$340.7 million was for the U.N. regular budget) and \$550.2 million for assessed contributions to U.N. peacekeeping operations (CIPA). The committee, noting recent adverse fluctuations in foreign currency exchange rates, authorized appropriations of such sums as may be necessary to offset such fluctuations. The committee supported U.S. return to UNESCO and expressed support for an increase in the UNESCO budget. It also endorsed synchronization of U.S. payments with the U.N. budget year; raised the cap on U.S. share of U.N. peacekeeping expenses to 27.4% for assessments made after calendar year 2004; and requested a report within 90 days of enactment from the Secretary of State on implementing the suggestions made in the Brahimi report on strengthening U.N. peacekeeping operations. The Foreign Relations Committee also called on the United States to seek to prevent state sponsors of terrorism and countries under U.N. sanctions from gaining membership position on the U.N. Security Council or the U.N. Commission on Human Rights.

## **FY2003 Funding for U.N. Assessed Budgets**

**Appropriations.** P.L. 108-7 (H.J. Res. 2), the Consolidated Appropriations Resolution, FY2003, included \$866 million for U.S. assessed contributions to international organizations (CIO) account; \$673.71 million for assessed contributions to the international peacekeeping activities (CIPA) account; and \$195.15 for voluntary contributions to the international organizations and programs (IO&P) account. An additional \$120 million for UNICEF, and \$52.9 million for contributions to voluntary IAEA programs were provided in other accounts. The conference committee noted (H.Rept. 108-10) that it expected the Department of State to report by March 1, 2003, that the United Nations had taken no action to exceed its approved 2002-2003 budget of \$2.63 billion; by April 30, 2003, describing all programmatic or administrative reductions adopted in the current U.N. biennial budget; and by September 30, 2003, on the effects on U.S. multilateral diplomacy goals and the financial operations of U.N. system organizations to which U.S. assessed payments for a given calendar year are deferred until the subsequent fiscal year. The conference committee recognized the important work of the IAEA and included full funding for that agency.

President Bush had requested \$891.378 million for FY2003 for U.S. assessed contributions to international organizations (including \$279.327 million for the U.N. regular budget) and \$725.981 million for assessed U.N. peacekeeping operations.

**Authorizations.** P.L. 107-228 (H.R. 1646) as signed into law on September 30, 2002, authorized \$891.378 million for FY2003 contributions for the CIO account and \$725.981 million for CIPA. It prohibited funding from U.S. contributions to the U.N. regular budget for the 2002-2003 biennium to be available for any framework treaty-based organization, including the Framework Convention on Global Climate Change, the International Seabed Authority, and the International Criminal Court. Sec. 401 of the measure amended several conditions which must be certified in order to make available the third and final U.S. arrears payment (\$244 million) to various international organizations. Sec. 402 of P.L. 107-228

also amended the limitation on the U.S. share of assessed U.N. peacekeeping operations for calendar years 2001-2004. The U.S. cap of 25% would be restored after 2004.

Section 404 of P.L.107-228 expressed the sense of Congress that the U.S. government should begin a process of synchronizing payment of its assessments to the United Nations and other international organizations so that the United States can resume paying its dues at the beginning of each calendar year. Section 405 amended the U.N. participation Act relating to annual reports on U.S. financial contributions to international organizations and in support of peacekeeping operations. Section 405 required the Secretary of State to submit a report within 120 days of enactment on the use of secret ballots within the United Nations as specialized agencies and section 409 required a report within 180 days of enactment describing proposals to increase employment of U.S. citizens in senior posts at U.N. system organizations. Section 407 expressed the sense of Congress that the President having announced (in his speech at the United Nations on September 12, 2002) U.S. return to UNESCO should submit a report describing the merits of such return and detailing projected costs of U.S. membership in UNESCO. Section 408 called on the United States to make every reasonable effort to secure a U.S. seat on the U.N. Commission on Human Rights and the International Narcotics Control Board, and to prevent Human Rights Commission membership from countries with poor human rights records. (In April 2002, the United States was elected to the Human Rights Commission for the 2003-2005 period.)

Section 1305 of P.L. 107-228 expressed the congressional finding that the IAEA is a critical and effective international organization, endorsed a U.S. assessment level of 25%, and urged the Secretary of State to negotiate an increase in the IAEA regular budget beginning with the 2004 budget. It authorized a \$10 million increase in U.S. voluntary contributions to IAEA (to \$60 million) in FY2003.

**Table 2. U.S. Contributions to Current U.N. Assessed Regular Budgets**  
(in millions of \$)

	<b>FY2002 Actual</b>	<b>FY2003 Actual</b>	<b>FY2004 Estimate</b>	<b>FY2005 Request</b>
United Nations	266.149	279.377	340.816	362.193
U.N. Capital Master Plan	—	5.550	—	6.00
U.N. — War Crimes Tribunals	23.767	25.811	30.027	30.855
Iraq War Crimes Commission	—	—	—	—
Food and Agriculture Organization	72.741	72.457	72.457	83.315
International Atomic Energy Agency	47.475	57.984	62.720	69.595
International Civil Aviation Agency	12.011	12.464	12.608	12.650

	<b>FY2002 Actual</b>	<b>FY2003 Actual</b>	<b>FY2004 Estimate</b>	<b>FY2005 Request</b>
International Labor Organization	55.308	56.661	62.735	64.857
International Maritime Organization	1.093	1.202	1.344	1.304
International Telecommunications Union	5.801	6.983	7.385	7.079
United Nations Educational, Scientific and Cultural Organization	—	—	81.999	71.909
Universal Postal Union	1.303	1.563	1.624	1.559
World Health Organization	108.109	93.615	93.615	96.191
World Intellectual Property Organization	0.822	0.898	1.053	1.016
World Meteorological Organization	8.324	9.223	10.341	10.483
<b>Total</b>	<b>602.904</b>	<b>623.788</b>	<b>778.724</b>	<b>819.006</b>

## U.N. Voluntary Programs

**FY2005.** The appropriate level of funding for U.N. voluntary programs continues to be a congressional concern. H.R. 4818 as passed by the House (365 to 41) on July 15, 2004, included \$323.45 million for U.S. voluntary contributions to the international organizations and programs (IO&P) account. \$53 million for a voluntary contribution to the IAEA was included in another account. During House floor debate on H.R. 4818, Representative Buyer introduced an amendment that prohibited use of any funds appropriated by this measure to be used by any U.S. government official to request the United Nations to assess the validity of elections in the United States. The amendment was agreed to by a vote of 243 to 161.

On July 13, 2004, the House Appropriations Committee reported (H.Rept. 108-599) H.R. 4818 as an original measure. The Committee recommended \$323.45 million for voluntary contributions to the international organizations and programs (IO&P) account, \$19 million more than requested by the Administration. The Committee recommended not less than \$107 million for UNDP; not less than \$7 million for the U.N. Voluntary Fund for Victims of Torture; not less than \$125 million for UNICEF; and \$3 million for UNIFEM (of which \$1 million would be for a first time contribution to the Trust Fund in Support of Actions to Eliminate Violence Against Women).

The Administration requested \$304.45 million for voluntary contributions for the international organizations and programs account. In addition, \$53 million was requested for voluntary contributions to IAEA in another account.

**FY2004.** P.L. 108-199 (H.R. 2673), the consolidated Appropriations Act for FY2004, included \$321.65 million for voluntary contributions to the international organizations and programs (IO&P) account including \$120 million for UNICEF and \$102 million for UNDP. \$53 million for voluntary contributions to IAEA was appropriated in another account.

On July 23, 2003, by a vote of 370 to 50, the House passed H.R. 2800 making appropriations for foreign operations including \$194.550 million for voluntary contributions to the IO&P account. H.R. 2800 includes \$120 million for UNICEF and \$52.9 million for voluntary IAEA programs in other accounts. During House consideration, an amendment by Representative Nadler to withhold funds for the United Nations Relief and Works Agency (UNRWA) failed when a point of order was sustained against it.

H.R. 1950 (Foreign Relations Authorizations), as passed by the House on July 16, authorizes \$342.555 million (reduced by \$25 million) for FY2004 and \$345 million (reduced by \$25 million) for FY2005 for voluntary contributions to the international organizations and programs (IO&P) account. This includes \$6 million for FY2004 and \$7 million for FY2005 for the U.N. Voluntary Fund for Victims of Torture. As reported by the House International Relations Committee (H.Rept. 108-105, part 1), H.R. 1950 authorized \$50 million for UNFPA. During floor debate the House voted 216-211 to delete the UNFPA provision.

On May 29 the Senate Foreign Relations Committee reported S. 1161 (S.Rept. 108-56) (foreign assistance authorization for FY2004) recommending funding of \$314.5 million for voluntary contributions to the international organizations and programs account (IO&P) and \$50 million for voluntary contributions for IAEA in another account.

President Bush requested \$314.6 million for FY2004 for voluntary contributions to the (IO&P) account. An additional \$50 million was requested for IAEA voluntary contributions in another account.

**FY2003.** On September 19, 2002, the House Appropriations Committee reported H.R. 5410 (H.Rept. 107-663), the Foreign Operations appropriations legislation for FY2003. The Committee recommended \$190.4 million for the international organizations and programs account of which not less than \$100 million was recommended for UNDP, not less than \$5 million for the U.N. Voluntary Fund for Victims of Torture, and \$25 million for UNFPA. In addition \$120 million for UNICEF and \$50 million for voluntary contributions to IAEA were recommended in other accounts.

The Administration requested \$310.4 million for voluntary contributions through the international organizations and programs account. In addition, \$50 million for voluntary IAEA programs and \$15 million for the International Fund for Agricultural Development (IFAD) was requested in other accounts.

**Issues.** An extremely contentious issue has been funding for the U. N. Population Fund (UNFPA). From FY1986-FY1992 UNFPA received no U.S. funds because of its presence in China, where coercive population practices have been reported. President Clinton reversed the earlier policy of not providing any U.S. funds to UNFPA. P.L. 105-277 prohibited U.S. funds for UNFPA during FY1999. \$25 million was appropriated for UNFPA during FY2000, and again for FY2001. \$34 million was appropriated for FY2002. On

September 30, 2002, President Bush directed that the \$34 million FY2002 funds appropriated for UNFPA be transferred to the Child Survival and Health Program Fund. No funds were requested for UNFPA for FY2003, although there was a “reserve” of \$25 million which might have been made available for UNFPA, but it was determined to be ineligible to receive U.S. funds. Congress appropriated not more than \$34 million for FY2004 for UNFPA. For FY2005 the Administration requested \$25 million in “reserve” which might be used for UNFPA if it is deemed eligible. (For more detailed discussion, see CRS Issue Brief IB96026, *Population Assistance and Family Planning Programs: Issues for Congress*.)

U.S. officials cite several reasons for restrained funding recommendations for what they consider to be, for the most part, popular and productive agencies. First, as in the assessed agencies, Administrations have expressed commitments to fiscal restraint in international organizations — to zero growth budgets or budget cuts — arguing that with countries cutting domestic spending, U.N. agencies cannot expect to remain untouched. Second, many believe that there are limits to the United Nations’ institutional capacity to deal with world problems.

Members of Congress have been increasingly critical of funding for multilateral programs which are not always seen as serving primary U.S. interests. Recent congressional activity includes close scrutiny and critical review of international organization programs and a refocusing toward those which are deemed clearly to promote U.S. national interests such as the International Atomic Energy Agency.

**Table 3. U.S. Voluntary Contributions to U.N. Programs Financed Through the Foreign Assistance Act (International Organizations and Programs)**  
(in millions of \$)

	<b>FY2002 Actual</b>	<b>FY2003 Actual</b>	<b>FY2004 Estimate</b>	<b>FY2005 Request</b>
UN Development Program (UNDP)	97.100	100.000	101.398	90.000
UN Children’s Fund (UNICEF) <sup>a</sup>	120.000	119.220	119.292	120.000
World Food Program (WFP)	6.000	—	—	6.000
UN Development Fund for Women (UNIFEM)	1.000	1.000	0.994	1.000
International Contributions for Scientific, Educational, & Cultural Activities	1.750	1.750	1.889	0.500
WMO Voluntary. Coop. Program	2.000	2.000	1.988	2.000
U.N. Environment. Program (UNEP)	10.750	10.500	10.935	10.025
Montreal Protocol Multilateral Fund	25.000	23.000	20.876	21.500
International. Conservation Programs <sup>b</sup> (CITES, ITTO, IUCN, Ramsar, CCD)	7.700	6.225	6.362	6.225



	<b>FY2002 Actual</b>	<b>FY2003 Actual</b>	<b>FY2004 Estimate</b>	<b>FY2005 Request</b>
U.N. Voluntary Fund Torture Victims	5.000	5.000	5.468	5.000
Climate Stabilization Fund (IPCC, UNFCCC)	7.400	6.000	5.567	5.600
ICAO Aviation Security Fund	0.300	0.300	0.994	1.000
U.N. Voluntary Fund for Advisory Services. & Technical Cooperation.	1.500	1.500	1.491	1.500
IAEA Voluntary Programs <sup>c</sup>	49.00	52.900	52.687	53.000
Center for Human Settlements	—	0.250	0.746	—
IMO Maritime Security Programs				0.100
U.N. Population Fund (UNFPA) <sup>d</sup>	—	—	—	—
Reserve — To Be Allocated	—	—	24.853	25.000
<b>Total</b>	<b>\$334.500</b>	<b>329.645</b>	<b>355.540</b>	<b>348.45</b>

**Note:** Does not include U.S. contributions to U.N. High Commissioner for Refugee (UNHCR) Programs (\$255 million in FY2002) and to U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNWRA) (\$119 million in FY2002), financed through the Migration and Refugee Assistance Account; World Food Program commodities donations; WHO Special Programs; U.N. Volunteers; and U.N. International Drug Control Program.

- a. Appropriated under Child Survival Program in FY2002 and FY2003.
- b. Only CITES is a U.N. program.
- c. Requested and Appropriated under Non-Proliferation, Antiterrorism, Demining and Related Programs account.
- d. Congress appropriated \$34 million for FY2002 and \$25 million for FY2003 but the State Department determined that UNFPA was ineligible for the U.S. contribution. For FY2004 and FY2005 the funds in the “reserve” presumably would be available for UNFPA if deemed eligible for U.S. contributions.

The United States exercises considerable influence among voluntary agencies and many countries follow the U.S. lead in making voluntary contributions. If the United States contributes less than in earlier years, other donors may follow suit. This would magnify the reductions to U.N. voluntary programs considerably. A related concern is the cumulative effect of U.S. contribution cuts on voluntary agencies. U.S. cutbacks to one agency also affect programs in other agencies because many projects are joint, cooperative efforts by a number of U.N. agencies. Moreover, the financial crisis in the central U.N. organ and the specialized agencies also has ripple effects on programs throughout the voluntary system.

Congressional supporters of multilateral voluntary agencies fear that budget reductions may significantly affect these organizations’ ability to continue their development work. These proponents point out that many U.N. voluntary agencies serve U.S. interests. They contend that many of these agencies are considered efficient and effective and, in some cases, may provide better development programs than occurs through bilateral channels. Table 3 summarizes recent U.S. funding actions for some U.N. voluntary programs.

## U.N. Peacekeeping Operations

Issues relating to U.S. support for U.N. peacekeeping operations including financing of such activities have been the source of particular congressional concern. In 1994 Congress enacted legislation (Section 404 of P.L. 103-236) which limited U.S. assessed peacekeeping contributions after October 1, 1995, to 25% of total U.N. peacekeeping assessments. P.L. 107-228 amended this provision for calendar years 2001-2004, allowing U.S. assessments of 28.15% in 2001, 27.9% in 2002 and 27.4% in 2003 and 2004. (For detailed discussion, see CRS Issue Brief IB90103, *United Nations Peacekeeping: Issues for Congress*.)

**FY2005.** The Administration requested \$650 million for FY2005 for U.S. assessed contributions to U.N. peacekeeping operations.

**FY2004.** P.L. 108-199 (H.R. 2673) included \$550.2 million for FY2004 U.S. assessed contributions to U.N. peacekeeping activities, the amount requested by the Bush Administration.

**FY2003.** P.L. 108-7 (Consolidated Appropriations Resolution) included \$673.71 million for U.S. assessed contributions to U.N. peacekeeping activities. The Bush Administration requested \$725.981 million for FY2003 for this account.

## LEGISLATION

### **P.L. 108-7 (H.J.Res. 2)**

Consolidated Appropriations Resolution, FY2003. Conference report (H.Rept. 108-10) filed on February 13, 2003. The same day House agreed to the conference report by a vote of 338 to 83 and the Senate by a vote of 76 to 20. Signed into law on February 20, 2003.

### **P.L. 108-199 (H.R. 2673)**

Consolidated Appropriations Act for FY2004. Conference report (H.Rept. 108-401) filed on November 25, 2003. House agreed by a vote of 242 to 176 to the conference report on December 8, 2003. Senate agreed by vote of 65 to 28 on January 22, 2004. Signed into law on January 23.

### **H.R. 1950 (Hyde)**

Foreign Relations Authorizations for FY2004 and 2005. Reported (H.Rept. 108-105, part 1) on May 16, 2003. Passed (382-42) by House on July 23.

### **S. 2144 (Lugar)**

Foreign Affairs Authorization Act, FY2005. Reported (S.Rept. 108-248) on March 18, 2004.

### **H.R. 4754 (Wolf)**

Making appropriations for the Departments of Commerce, Justice, and State for FY2005. Reported (H.Rept. 108-576) as an original measure on July 1. Passed House (397-18) on July 8, 2004.

**H.R. 4818 (Kolbe)**

Making appropriations for Foreign Operations for FY2005. Reported (H.Rept. 108-599) as an original measure on July 13. Passed House (365-41) on July 15, 2004.

**CONGRESSIONAL HEARINGS, REPORTS, AND DOCUMENTS**

U.S. Congress. Senate. Committee on Foreign Relations. Subcommittee on International Operations. *The Secretary's Certification of a U.N. Reform Budget of \$2.533 Billion*. Hearing, 105<sup>th</sup> Congress, 2<sup>nd</sup> session. May 20, 1998. U.S. GPO, 1998. 18 p.

**FOR ADDITIONAL READING**

U.S. Department of State, *United States Participation in the United Nations*. Report by the Secretary of State to Congress for the Year 2002. Washington, U.S. Govt. Print. Off., 2003. 237 p.

U.S. General Accounting Office. *United Nations: Reforms Progressing, but Comprehensive Assessments Needed to Measure Impact*. GAO-04-339. February 2004. Washington, 2004. 59 p.

**CRS Reports**

CRS Report RL30985. *UNESCO Membership: Issues for Congress*, by Vita Bite and Lois McHugh.