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United Nations Issues: U.S. Funding to the U.N. System

The United States is the single largest financial contributor to the United Nations (U.N.) system. Congress has long debated the appropriate level of U.S. contributions to U.N. system activities and whether U.S. funds are used efficiently and effectively. Since 2017, the Trump Administration has proposed significant overall decreases in U.S. funding; however, Congress has generally funded U.N. entities at higher levels than the Administration has requested. Compared to FY2020-enacted funding levels, the President's FY2021 budget proposed reducing U.N. peacekeeping funding by 29%, decreasing U.N. regular budget and specialized agency funding by 34%, and eliminating funding to some U.N. funds and programs.

U.N. System Funding

The U.N. system is made up of interconnected entities including specialized agencies, funds and programs, peacekeeping operations, and the U.N. organization itself. The U.N. Charter, ratified by the United States in 1945, requires each member state to contribute to the expenses of the organization. The system is financed by assessed and voluntary contributions from U.N. members. *Assessed contributions* are required dues, the payment of which is a legal obligation accepted by a country when it becomes a member. Such funding provides U.N. entities with a regular source of income to pay for staff and implement core programs. The U.N. regular budget, specialized agencies, and peacekeeping operations are financed mainly by assessed contributions. *Voluntary contributions* fund special funds, programs, and offices. The budgets for these entities may fluctuate annually depending on contribution levels.

U.N. regular budget and U.N. specialized agencies. The U.N. regular budget funds the core administrative costs of the organization, including the General Assembly, Security Council, Secretariat, International Court of Justice, special political missions, and human rights entities. The regular budget is adopted by the Assembly to cover a two-year period; however, in 2017 the Assembly voted to change the budget cycle to a one-year period beginning in 2020. Since the late 1980s, most Assembly decisions related to the budget have been adopted by consensus. When budget votes occur (which is rare) decisions are made by a two-thirds majority of members present and voting, with each country having one vote. The approved regular budget for 2018-2019 is \$5.8 billion, or \$2.9 billion a year. The General Assembly negotiates a scale of assessments for the regular budget every three years based on a country's capacity to pay; assessments for the 2019-2021 time period were adopted in December 2018. The U.S. assessment is currently 22%, the highest of any U.N. member state. The U.S. rate is set by a ceiling that was agreed to in the General Assembly in 2000.

U.N. specialized agencies are autonomous in executive, legislative, and budgetary powers. Some agencies follow

the scale of assessment for the U.N. regular budget, while others use their own formulas to determine assessments.

U.N. peacekeeping funding. There are currently 13 U.N. peacekeeping missions worldwide with over 80,000 military, police, and civilian personnel. U.N. Security Council resolutions establishing new operations specify how each mission will be funded. In most cases, the Council authorizes the General Assembly to create a separate special account for each operation funded by assessed contributions. The approved budget for the 2019/2020 peacekeeping fiscal year is \$6.51 billion. The Assembly adopts the peacekeeping scale of assessments every three years based on modifications of the regular budget scale, with the five permanent Council members assessed at a higher level than for the regular budget. The current U.S. peacekeeping assessment is 27.89%.

U.N. financial situation. In a March 2019 report to the General Assembly, U.N. Secretary-General Guterres expressed concern regarding the "deteriorating financial health" of the United Nations, which has led to some budget shortfalls. He stated that these challenges were not only the product of U.N. member state "payment patterns and arrears," but also "structural weaknesses in [U.N.] budget methodology." To help address these issues, he proposed several reforms that have been implemented or are under consideration by U.N. member states, including supporting replenishment of the Special Account (which was established in 1965 to help the organization with any financial challenges); pooling U.N. peacekeeping cash balances; and changing peacekeeping billing processes.

U.S. Funding

Congress has generally authorized funding to the U.N. system as part of Foreign Relations Authorization Acts; appropriations are provided to the Department of State and U.S. Agency for International Development (USAID) to meet obligations. When authorization bills are not enacted, Congress has waived the authorization requirements and appropriated funds through accounts in annual Department of State, Foreign Operations, and Related Programs (SFOPS) appropriations bills.

The Administration's FY2021 budget proposed significant decreases in funding to accounts supporting the United Nations (see **Table 1**). The *Contributions to International Organizations (CIO) account*, which funds assessed contributions to the U.N. regular budget, specialized agencies (such as the World Health Organization and Food and Agriculture Organization), and other international organizations, would be reduced by 34.4%, from \$1.47 billion in FY2020 to \$966.2 million in FY2021. Of the FY2021 request, \$780.8 million is designated for U.N. entities, compared to the FY2020 estimate of \$1.15 billion. The request prioritizes funding for organizations whose

missions “substantially advance U.S. foreign policy interests” and reduces funding for those whose “results are unclear” and “work does not directly affect our [U.S.] national security interests.” The budget also requests \$598,000 for the United States to rejoin the World Tourism Organization.

The *Contributions for International Peacekeeping Activities (CIPA) account*, which funds U.S.-assessed contributions to most U.N. peacekeeping operations, would be reduced by 29.2%—from \$1.52 billion in FY2020 to \$1.07 billion in FY2021. The request states the Administration’s “commitment to seek reduced costs by reevaluating the mandates, design, and implementation” of missions.

The *International Organizations and Programs (IO&P) account*, which received \$390.5 million in FY2020 (including \$310.27 million for U.N. entities), funds U.S. voluntary contributions to many U.N. funds and programs, including UNICEF and UN Women. For FY2021, the Administration proposed eliminating the account; a similar proposal was included in the FY2018-FY2020 budget requests.

Table I. Selected U.S. Contributions, by Account
(Thousands of \$ U.S. Dollars)

	FY19 Act.	FY20 Enact.	FY21 Req.
CIO	1,360,270	1,473,806	966,224
of which U.N.	1,063,827	N/A	780,832
CIPA	1,550,900	1,526,383	1,079,200
IO&P	364,000	390,500	0
of which U.N.	319,750	310,275	0

Sources: Annual congressional budget justifications and SFOPS appropriations legislation and explanatory statements.

Notes: N/A = not yet available. Enacted CIPA funding does not include funding for the U.N. Support Office in Somalia (UNSOS). Administrations usually request UNSOS funds through CIPA, but Congress funds UNSOS through the Peacekeeping Operations account, which funds non-U.N. peacekeeping activities.

The United States provides voluntary contributions to U.N. entities through other SFOPS accounts. For example, according to USAID’s Foreign Aid Explorer database, it contributed \$5.27 billion to U.N. humanitarian-related activities through the global humanitarian accounts in FY2018, including Migration and Refugee Assistance, International Disaster Assistance, and Food for Peace, Title II (P.L. 480). (Complete FY2019 and FY2020 funding allocations are not yet fully available.) Congress generally appropriates overall funding to each of these accounts, while the executive branch determines how funds are allocated based on foreign policy priorities and humanitarian needs. Voluntary U.N. funding is also provided through accounts addressing health, security, and development, such as Economic Support Fund and Global Health Programs. According to USAID, U.N. funding from these accounts in FY2018 totaled more than \$1 billion and included entities such as the World Health Organization, UNICEF, and International Atomic Energy Agency, among others.

budget assessments levels result in the United States providing the bulk of funding while having minimal influence on the budget process. Some have called for increased transparency in the process for determining the scale of assessments. Conversely, some contend that the current assessment level is roughly equivalent to the U.S. share of world gross national income. They argue that it reflects U.S. commitment to the United Nations, affirms U.S. leadership, leverages funding from other countries, and helps the United States achieve its goals in U.N. fora.

U.S. peacekeeping assessment cap. In 1995, due to concerns that the U.S. peacekeeping assessment level was too high (over 30%), Congress set a limit of 25% on the funds authorized after FY1995. Between FY2001 and FY2016, Congress enacted legislation to raise the cap temporarily so that U.S. contributions were closer to U.N. assessment levels. It did not enact a cap adjustment for FY2017 through FY2019, and it returned to 25%. As a result, the United States has accumulated more than \$900 million in cap-related arrears from FY2017 to FY2020.

Executive branch role. The executive branch has some leeway to determine the use of funds for certain accounts without congressional consultation. Some policymakers are concerned that the Administration may not allocate funding to U.N. entities as Congress intended. Appearing to reference this issue, the explanatory statement to the FY2019 SFOPS bill included language that “assumes the payment of the full [U.S.] assessment at each respective organization” for CIO. It also stated that IO&P funds “shall be made available for core contributions for each entity.” This represented the first time such language was included in SFOPS explanatory statements. (Similar language was not included in the FY2020 SFOPS explanatory statement.) Some of these concerns appear to stem from the Administration’s 2018 decisions to no longer fund the U.N. Relief Works Agency for Palestine Refugees in the Near East (funded through the global humanitarian accounts) and to withhold contributions to the U.N. Office of the High Commissioner for Human Rights (funded through CIO). To further address this issue, some have suggested that Congress legislate funding levels for specific U.N. entities.

U.S. funding and U.N. reform. Congress has enacted legislation linking U.S. funding to specific U.N. reform benchmarks or activities. For example, since the 1980s the United States has withheld funding for activities related to the Palestinians. In addition, SFOPS bills since FY2014 have linked U.S. funding to U.N. whistleblower protection and audit transparency policies. Some Members have opposed such actions due to concerns that they may interfere with U.S. influence and ability to conduct diplomacy in U.N. fora. Others maintain that the United States should use its position as the largest financial contributor to push for reform, in some cases by withholding funding.

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Selected Policy Issues

U.N. regular budget assessment. Over the years, policymakers have expressed concern that current regular

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