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KEEP THE CAP ON U.S. CONTRIBUTIONS TO THE U.N. PEACEKEEPING BUDGET

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The United States won an important struggle last December when the member states of the United Nations agreed to reduce the amount America contributes to the U.N. peacekeeping and regular budgets. This welcome move shows the willingness of the member states to meet U.S. demands for reform, and Congress and the Bush Administration should acknowledge this significant step. Specifically, to reward the U.N. for sharing the burden of its activities more equitably among its members, they should authorize the release of a portion of the amount the United States has been withholding until specific reforms were implemented. However, neither the Administration nor Congress should consider eliminating or increasing the cap on U.S. contributions to the peacekeeping budget that was enacted into law in 1994.

Steps Toward Reform. On December 23, the U.N. member states agreed to reduce the amount paid to the regular budget by the United States from 25 percent to 22 percent, beginning this month, and the amount paid to the peacekeeping budget from 31.4 percent to 27.58 percent, beginning in July. A reduction of nearly four percentage points in the amount America contributes to peacekeeping activities is not as much as Congress had sought, but it is substantial. This move follows a long campaign by Congress to encourage the U.N. to institute reforms and reduce U.S. dues. The issue

became contentious in 1994 when President Bill Clinton signed the State Department authorization act (P.L. 103-236), capping U.S. peacekeeping contributions at 25 percent. The difference between the U.N. assessment and the cap led to a sharp increase in U.S. arrears, according to the U.N., but the United States does not recognize this claim as legitimate.

President Clinton and Congress instituted the cap primarily because of a precipitous rise in the number of peacekeeping missions, as well as their associated costs, at the end of the Cold War. In fiscal year 1990, Congress had appropriated \$81 million for peacekeeping; by fiscal year 1994, however, the amount had grown to \$1.2 billion. Thus, the costs of U.N. peacekeeping, which a decade ago were nominal, became a significant burden on U.S. taxpayers.

In response to this increased burden, President Clinton rightly observed in a speech before the

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U.N. General Assembly in 1993 that “the UN’s operations must not only be adequately funded, but also fairly funded. . . . [O]ur rates should be reduced to reflect the rise of other nations that can now bear more of the financial burden.” The perception that the peacekeeping scale of assessments was unfair resulted from the fact that the U.S. assessment was greater than the combined assessments of over 180 other states. The United States paid nearly one-third of the budget, while most of the other U.N. members’ assessments were discounted by 80 percent or more. Based on these facts, the Administration and Congress insisted that the U.N. adopt a more equitable assessment scale, under which no nation would contribute more than 25 percent of the peacekeeping budget.

The member states, however, resisted. Therefore, in 1999, the Administration and Congress adopted a plan in the Consolidated Appropriations Act for FY 2000 (P.L. 106–113) to pay \$926 million of U.S. arrears to the U.N. in exchange for specific reforms. According to this plan, Congress would release three payments of \$100 million, \$582 million, and \$244 million, respectively, after certain reforms were instituted. The first payment was released in late 1999.

Releasing the second payment, however, required that the assessed share for “any single United Nations member” does not exceed 25 percent for the U.N. peacekeeping budget and 22 percent for the U.N. regular budget. On December 23, 2000, the Ambassador to the United Nations under President Clinton, Richard Holbrooke, secured an agreement that fulfilled the first requirement, but he was not able to get the U.N. member states to meet the goal for the peacekeeping budget. Under the new scale, the U.S. peacekeeping assessment will decline from 31.4 percent to 27.58 percent as of July and should continue to decline to about 26.5 percent in 2002 and 2003.

Rewards and Incentives. In his last testimony before Congress as U.S. Ambassador, Holbrooke suggested that Congress release the second payment and repeal the cap on peacekeeping contributions to reward the U.N. for its significant steps. The United States should recognize the U.N.’s effort

at reform by amending P.L. 106–113 to allow the release of the \$582 million even though the U.S. peacekeeping assessment was not reduced to 25 percent. As the authors of the arrears-for-reform legislation—Senators Jesse Helms (R–NC) and Joseph Biden (D–DE)—have said, releasing this payment would acknowledge the U.N.’s reform effort. It would also help lock in the new scales of assessments and reduce the chance that the U.N. will backtrack on these reforms when it reviews these scales in three years.

Congress, however, should resist calls to eliminate the cap or to adjust it to meet the U.N.’s new scale, since that would remove the key disincentive to raising America’s portion of the peacekeeping budget in the future. The 1994 law establishing the cap embodies a principled policy that no one nation—out of the organization’s 189 members—should be asked to pay more than one-quarter of the peacekeeping budget. The cap encourages the U.N. to exercise greater fiscal discipline in using members’ funds and forces America’s partners in peacekeeping to accept a greater share of the expenses. Eliminating the cap would undermine these efforts and remove the primary incentive for the U.N. to meet in full the United States’ demand that it reform its peacekeeping assessment scale.

Conclusion. It is in the interests of the United States to support United Nations peacekeeping missions when they advance U.S. foreign policy objectives, have achievable goals, and possess clear exit strategies. However, America’s interest in peacekeeping does not change the fact that missions should be fairly funded among the member states. The latest reforms in the U.N. assessment scale will address this issue. The Administration should support modifying U.S. law to allow the second payment of arrears to be released in recognition of the steps taken by the U.N. But the cap on peacekeeping contributions should be maintained to spur further reforms and to reinforce the principles now embodied in U.S. law.

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