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## THE U.S. SHOULD RETURN TO PAYING ITS U.N. ASSESSMENT IN ADVANCE

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As Congress works in conference to resolve the differences between the House and Senate versions of the Foreign Relations Authorization Act for Fiscal Years 2002 and 2003 (S. 1401 and H.R. 1646) and the respective versions of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2002 (H.R. 2500), it has an opportunity to buttress its relationship with the United Nations by returning to the practice of authorizing and appropriating America's United Nations assessment before the year it is due. Such a policy would bear little cost but could prove helpful in garnering support from the U.N. and its member countries for the U.S.-led war on terrorism.

**The Shift to Delayed Payments.** Each year, the United Nations approves a budget that is paid for by the member states according to a scale of assessments. The U.S. assessment for 2002, for example, will be 22 percent of the U.N. regular budget. Assessments of U.N. members are due in full 30 days after the billing date of January 1, although payments are not technically considered to be in arrears if they are made within the calendar year in which they are due.

Before FY 1981, the United States habitually authorized and appropriated its U.N. assessment in the October before the year for which they were assessed and paid its assessment in four quarterly payments. Between 1981 and 1983, however, the United States began shifting the timing of its U.N. payments to the last quarter of the year in which

the assessment was due.

According to the U.S. General Accounting Office, this was done for three reasons: (1) to register U.S. concern over the large, repeated increases in the budgets of the U.N. and other international organizations and encourage them to curb their budgets; (2) to realize a one-time budgetary savings (at least on paper) of more than \$400 million; and (3) to estimate the U.S. portion of the budgets of the international organizations more accurately to avoid supplemental appropriations.

**Costs and Benefits of the Payment Shift.** In moving payment of its U.N. assessment to the fourth quarter, the United States in effect skipped one year's payment and realized a budgetary saving, at least on paper, of \$433 million. The savings accomplished through this budgetary gimmick were helpful in the high deficit years of the 1980s. In truth, however, they were no more than a postponement of payment obligations. As a result of the delayed payment, the U.S. debt to the U.N. is artificially high for the first nine months

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of every year, when the outstanding balance is temporarily added to U.N. estimates of America's debt to the organization.

Shifting the payment schedule did little to accomplish the primary goal and justification for this policy—curbing the U.N.'s large and repeated annual budget increases. In fact, the U.N. budget increased 14.7 percent from 1982 to 1983. It was not until a decade later—in the mid-1990s, when the United States made the payment of its arrears contingent on a zero-growth budget at the U.N.—that the U.N.'s annual increases were held in check.

While the United States' deferred payments of its assessment accomplished financial savings on paper, they resulted in losses in terms of U.S. relations with the United Nations. Although the status of the United States as a U.N. member is not affected as long as payments are made within the year the assessment is due, delayed payments have fueled resentment among members who feel that they are footing the bill and have provided fodder for critics who would portray the United States as a deadbeat.

It is time for the United States to return to advance payment of its U.N. assessment. The Senate language (S. 1401 and H.R. 2500) clearly would make this practice contingent on the U.N.'s continued adherence to the United Nations Reform Act of 1999 (P.L. 106–113), which requires the U.N. to maintain a zero-growth budget and thereby establishes an enforcement mechanism to prevent unchecked growth in the U.N. budget. Returning to the previous schedule for appropriating and authorizing U.S. contributions to the U.N. would require doubling one year's assessment, but the cost would be largely semantic, as it would simply be reversing the on-the-books savings of the early 1980s when a year's payment was skipped.

Over the past few months, America's relationship with the United Nations has deteriorated as Wash-

ington deemed it necessary to reject a number of treaties that other U.N. members supported. Although the U.N. initially responded to the September 11 terrorist attacks with declarations of support for the United States and a Security Council resolution to cut financing for terrorism, America may meet with some resistance as the war on terror gains momentum. Returning to the practice of paying America's U.N. assessments in advance would engender significant goodwill among other U.N. members, and this could be helpful as the United States conducts its war on terrorism. While U.N. approval is not necessary for this campaign, a sympathetic U.N. could be helpful.

**Conclusion.** Currently in conference, the Senate version of the Foreign Relations Authorization Act for Fiscal Years 2002 and 2003 states that "the United States should begin the process of resuming payment of its assessed contribution prior to February 1 of that year and each following year" provided the U.N. meets all of the conditions established in the United Nations Reform Act of 1999. The Senate version of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2002, has similar language including the appropriation for next year's U.N. assessment.

Congress and the Administration should return to the normal authorization and appropriation process for paying America's U.N. assessment. This would not result in expenditures that are more than the United States has already agreed to contribute, and it could do much to increase support for critical U.S. objectives in the war on terrorism.

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