

WebMemo



Published by The Heritage Foundation

No. 1786

January 29, 2008

Congress Should Withhold Funding for Spendthrift U.N.

Brett D. Schaefer

In the past two years, a large majority of United Nations member states has decided to ignore U.S. objections to increases in the U.N. regular budget and its lack of progress on reform. In three critical votes, the Fifth Committee (Administrative and Budgetary) of the U.N. General Assembly has broken a 20-year tradition of adopting budgetary decisions only by consensus. These votes—which approve unprecedented budget increases while rebuffing reform efforts—hearken back to the late 1970s and early 1980s. In those years, similar practices led Congress to adopt legislation withholding 20 percent of assessed U.S. contributions to the U.N. regular budget and specialized agencies until the U.S. was given more influence over budgetary matters. This move prompted the U.N. to adopt the informal rule requiring consensus on budgetary matters, after which Congress then rescinded the legislation.

The recent votes indicate that the U.N. has forgotten the impetus behind the consensus-based budgeting process and illustrates the shortsightedness of Congress in rescinding the legislation backstopping the process. Congress should rectify its error and adopt new provisions for restrictions on U.S. contributions to the U.N. if the budget is adopted over U.S. objections.

Violating 20 Years of Tradition. For the past 20 years, the U.N. has operated under a tradition of adopting budgetary decisions only by consensus. This informal process was adopted under threat of U.S. financial withholding under the Kassebaum–Solomon Amendment to the Foreign Relations

Authorization Act for fiscal years 1986 and 1987. At the time, diplomatic efforts were proving insufficient to arrest the increasing politicization of U.N. operations and programs and the organization's rapidly increasing budgets.

The United States and other Western countries had sought unsuccessfully to hold the U.N. to a zero-growth budget in the first half of the 1980s. This led former U.S. Ambassador to the U.N. Jeane Kirkpatrick to testify that “[t]he countries which contribute more than 85 percent of the U.N. budget regularly vote against that budget, but are unable to prevent its increases because the countries who pay less than 10 percent of the budget have the votes.”¹ This frustration led Congress to adopt the 1985 Kassebaum–Solomon Amendment, which withheld 20 percent of U.S. assessed contributions to the U.N. regular budget and specialized agencies until weighted voting on budgetary matters was adopted.² As noted by former U.S. Ambassador to the United Nations Charles Lichenstein:

... there was a consensus in the United States that radical surgery was called for. Numerous studies and investigations, many of them instigated by the U.N. itself, had revealed a pattern of waste, mismanagement, and duplication.

This paper, in its entirety, can be found at:
www.heritage.org/Research/InternationalOrganizations/wm1786.cfm

Produced by The Margaret Thatcher Center for Freedom

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002–4999
(202) 546-4400 • heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

The U.N.'s socioeconomic agenda called for the redistribution of wealth from the industrialized democracies to the less-developed countries of the Third World...

As a result, a Democratic-controlled Congress in 1984 overwhelmingly approved the Kassebaum-Solomon Amendment to the authorization of the U.S.'s 25 percent share of the U.N.'s administrative budget. The terms of the amendment seemed unambiguous: Shape up, impose fiscal discipline on yourself, and move toward some form of weighted voting on the U.N. budget in the General Assembly, with "bonus" votes for big contributors in rough proportion to their contributions, or else suffer an annual 20 percent withholding of the U.S. payment.³

The Kassebaum-Solomon Amendment was a modest success. Weighted voting was not adopted, but the U.N. did informally agree in 1986 to the consensus-based budgeting process, under which every country theoretically had a "veto" in that it could vote "no" and halt the process.⁴ This allowed the President to waive the 20 percent withholding restriction based on a determination that the U.N. had made substantial progress toward procedures called for in Kassebaum-Solomon.⁵ Congress later rescinded the Kassebaum-Solomon Amendment

based on the determination that the U.N. had largely addressed U.S. concerns.

Under the consensus-based budgetary process, the U.S. was able to prevent excessive growth in the U.N. budget for nearly 20 years. Recently, however, a coalition of U.N. member states has violated this informal process:

- In the wake of numerous U.N. scandals, the U.S. and other major donors sought to reform the U.N. Secretariat. In 2005, the General Assembly approved a broad reform agenda and asked the Secretary-General to submit detailed reform proposals. To put teeth behind the reform effort, the U.S. led a campaign to cap the U.N. assessed regular biennial 2006-2007 budget at \$950 million, with the remaining budget to be authorized after the reforms were adopted. Annan's reform proposals were, however, blocked by an overwhelming majority led by opposition from the G-77. On April 28, 2006, when the G-77 forced a vote, the South African resolution was approved by a vote of 108 to 50 with three abstentions.⁶ The General Assembly subsequently passed the resolution by a margin of 121 to 50 with two abstentions on May 8, 2006.⁷ These votes were the first major break with this consensus tradition in two decades.

1. Edward C. Luck, "Reforming the United Nations: Lessons from a History in Progress," Academic Council on the United Nations System Occasional Paper No. 1, 2003, at www.globalpolicy.org/reform/intro/2003history.pdf.
2. Department of State Authorization Act, Fiscal Years 1986 and 1987, Public Law No. 99-93, August 16, 1985.
3. Charles M. Lichenstein, "We Aren't the World," *Policy Review*, Spring 1995, at www.hoover.org/publications/policyreview/3567807.html.
4. While the consensus budgeting process helped to constrain budget growth, it failed either to force a review of mandates and spending priorities or to reduce the budget. Consensus makes opposing budget increases easier, but it also makes eliminating programs more difficult—it takes only one sponsor to block action. For more information, see Brett D. Schaefer, "A Progress Report on U.N. Reform," Heritage Foundation *Backgrounder* No. 1937, May 19, 2006, at www.heritage.org/Research/InternationalOrganizations/bg1937.cfm.
5. Technically, no resolution requiring consensus was adopted. However, the form of words agreed to for a Statement by the President of the General Assembly ("all possible efforts with a view to establishing the broadest possible agreement," Annex II, paragraph 7 in Resolution 41/213, December 19, 1986) was instantly invoked by the United States and its supporters as meaning full consensus.
6. U.N. General Assembly, Department of Public Information, "Budget Committee Approves Management Reform Text by Vote of 108 in Favour to 50 Against, with 3 Abstaining," GA/AB/3732, April 28, 2006, at www.un.org/News/Press/docs/2006/gaab3732.doc.htm.
7. U.N. General Assembly, Department of Public Information, "Acting on Budget Committee Recommendations, General Assembly Adopts Text on Management Reform Proposals by Vote of 121-50-2," GA/10458, May 8, 2006, at www.un.org/News/Press/docs//2006/ga10458.doc.htm.

- The vote to oppose Annan's reforms precipitated a showdown over the \$950 million U.N. budget cap, which was projected to be exhausted by the end of June 2006. The United States and Japan, which together provided nearly 42 percent of the U.N. budget, opposed approving the rest of the U.N. budget unless the General Assembly passed the reform proposals. Again led by the G-77, the cap was eliminated and the remainder of the U.N. budget was approved without adopting the reforms sought by the U.S. and other major contributors.⁸ Although the U.S. did not vote against the resolution, it disassociated itself from the consensus position.⁹
 - This past December, a large majority of U.N. member states again violated the informal rule on consensus-based decision-making on budgetary issues. Over strong resistance from the U.S. delegation, the Fifth Committee (Administrative and Budgetary) recommended a \$4.17 billion biennial budget for 2008–2009 on December 22, 2008. The U.S. delegation objected to specific provisions included in the budget, such as funding for the “Durban Review Conference,”¹⁰ and out of concern “that the final 2008-2009 budget for the biennium will be significantly higher than this initial budget.”¹¹ Indeed, a number of projected expenses were not included in the budget, and the overall budget is projected to be more than \$1 billion over the approved budget, representing the largest increase in U.N. history.¹² The budget was approved by a recorded vote of 141 in favor and the United States was the only country to vote “no.”¹³ The decision to overrule the U.S., which is by far the largest contributor to the U.N. regular budget,¹⁴ was met with a standing ovation by the other member states. The General Assembly later adopted the budget by a vote of 142 to 1.¹⁵
- These votes signal that the majority of U.N. member states who contribute very little to the budget no longer feel the need to listen to the concerns

8. United Nations General Assembly, Department of Public Information, “General Assembly Lifts Spending Cap, Allowing United Nations Operations to Continue for Remainder of 2006, 2007,” GA/10480, June 30, 2006, at www.un.org/News/Press/docs/2006/ga10480.doc.htm.
9. United Nations General Assembly, Department of Public Information, “Budget Committee Recommends Lifting of Spending Cap for 2006–2007 Biennium; Also Considers Procurement Reform, Geneva Office Requirements: Australia, Japan, United States Disassociate Selves from Budget Cap Consensus,” GA/AB/3748, June 28, 2006, at www.un.org/News/Press/docs/2006/gaab3748.doc.htm.
10. Durban II is the follow-up to the notorious 2001 U.N. “World Conference against racism, racial discrimination, xenophobia and related intolerance,” held in Durban, South Africa. The conference degenerated into a poisonous series of attacks on America and Israel causing the U.S. to walk out of the conference. For more information, see Claudia Rosett, “Destination: Durban II,” *National Review Online*, December 21, 2007, at <http://article.nationalreview.com/?q=OGE3NGMyOWEwNDA3MzMyNjM3MjAzMDM3NzllNThmMDU>.
11. Ambassador Mark Wallace, “Explanation of vote on Agenda item 128: Questions relating to the proposed program budget for the biennium 2008-2009, in the Fifth Committee of the General Assembly,” United States Mission to the United Nations, USUN PRESS RELEASE #387(07), December 22, 2007, at www.un.int/usa/press_releases/20071222_387.html.
12. See Brett D. Schaefer, “The U.S. Should Oppose the Largest Budget Increase in U.N. History,” Heritage Foundation WebMemo No. 1741, December 13, 2007, at www.heritage.org/Research/InternationalOrganizations/wm1741.cfm.
13. U.N. Department of Public Information, “Fifth Committee Recommends 2008-2009 Budget of \$4.17 Billion, as it Concludes Work for Main Part of Current Session: Financing for Darfur Hybrid Mission, International Tribunals, Administration of Justice among Issues Addressed by Wide Range of Texts,” General Assembly Document GA/AB/3835, December 21, 2007, at www.un.org/News/Press/docs/2007/gaab3835.doc.htm.
14. The U.S. is assessed 22 percent of the U.N. regular budget. The combined assessment of the 128 least-assessed countries—two-thirds of the General Assembly—is a paltry 0.919 percent of the regular budget. In 2006, the U.S. paid \$439 million to the U.N. regular budget. The 54 countries assessed the lowest rate of 0.001 percent of the regular budget each paid less than \$21,000 a year. See Brett D. Schaefer, “Who Leads the United Nations?” Heritage Foundation Lecture No. 1054, December 4, 2007, at www.heritage.org/Research/InternationalOrganizations/hl1054.cfm.
15. General Assembly Approves Nearly \$4.2 Billion UN Budget Despite US Opposition,” UN News Centre, December 23, 2007, at www.un.org/apps/news/story.asp?NewsID=25159&Cr=Assembly&Cr1=budget&Kw1=budget&Kw2=&Kw3.

of its largest contributor—not even to the minimal extent imposed under the consensus-based decision-making process. This attitude has predictably led to unprecedented budgetary increases and undermined efforts to reform the United Nations.

What Congress Should Do. Congress should use the limited success of the Kassebaum–Solomon Amendment as a model and a lesson. The amendment demonstrated that the threat of financial withholding is an effective lever in getting the U.N. to make changes to address U.S. concerns.

However, the solution of consensus-based budgeting was limited. It was relatively successful in constraining growth of the U.N. budget by providing every country a theoretical veto over the budget. If it chose, the U.S. generally could block initiatives it opposed or prevent large budget increases through this process. However, the rule also made it difficult to eliminate outdated or ineffective U.N. activities as long as they had a single champion among the member states. This proved to be a substantial impediment to U.N. reform. Worse, the fact that consensus-based budgeting is an informal agreement rather than a hard rule has allowed a majority of member states to override the U.S. and other major contributors without consequence.

Congress should use its power of the purse to withhold U.S. contributions to the U.N. regular budget if the membership adopts a budget over the objection of the United States. In return for the release of these funds, Congress should demand

that the U.N., at a minimum, reinstitute the consensus-based budgeting process as a hard rule. Ideally, however, Congress should go further and emulate the original requirement of Kassebaum–Solomon: Require the U.N. to adopt weighted voting on budgetary matters or eliminate the practice of assessing member states for most U.N. activities in favor of voluntary funding.¹⁶

Conclusion. Congress should act to protect U.S. interests at the U.N. by announcing that its failure to act on reform and its approving budget funds over the objection of the U.S. will lead to financial withholding. Outside pressure from Congress has been effective in the past and should be used again. The U.N. has repeatedly demonstrated that financial leverage is the most effective way to force the organization to take U.S. concerns into account. Congress should pass an updated version of the Kassebaum–Solomon Amendment that would withhold 20 percent of the U.S. contribution to the U.N. regular budget if the membership adopts a budget over the objection of the United States or until it adopts new voting procedures to provide major contributors more influence in budgetary matters.

—Brett D. Schaefer is Jay Kingham Fellow in International Regulatory Affairs in the Margaret Thatcher Center for Freedom, a division of the Kathryn and Shelby Cullom Davis Institute for International Studies, at The Heritage Foundation.

16. For more detailed discussion of these proposals, see Brett D. Schaefer, “Enough Reports: More Action Needed on U.N. Reform,” Heritage Foundation *Backgrounder* No. 1988, December 8, 2006, at www.heritage.org/Research/InternationalOrganizations/bg1988.cfm; Brett D. Schaefer, “Keep the Cap on U.S. Contributions to U.N. Peacekeeping,” Heritage Foundation *Backgrounder* No. 2067, September 6, 2007, at www.heritage.org/Research/InternationalOrganizations/bg2067.cfm; and Brett D. Schaefer, “Who Leads the United Nations?” Heritage Foundation *Lecture* No. 1054, December 4, 2007, at www.heritage.org/Research/InternationalOrganizations/hl1054.cfm.