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Congressional Hearings Offer Opportunity for U.N. Budgetary Scrutiny

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The United States is facing a budgetary crisis. In the coming months and years, Congress and the Administration will grapple with tough decisions on where to reduce spending and by how much. Although U.S. contributions to the U.N. system are not a large part of the budget, there is no reason to exclude these contributions from budgetary scrutiny. Indeed, even U.N. Secretary-General Ban Ki-moon has acknowledged the need for the U.N. to cut its budget during these fiscally difficult times.

On March 16, Congress will hold hearings focusing on the U.N. budget. Members should press the Administration for details on its objectives and goals for cutting the U.N. budget.

U.S. Contributions to the U.N. Are at an All-Time High. America's recent contributions to the U.N. dwarf those from 10 years ago. According to the Office of Management and Budget, total U.S. contributions to the U.N. system were more than \$6.347 billion in fiscal year (FY) 2009; they were just \$3.183 billion in FY 2001.¹ Increases have occurred throughout the U.N. system, but the increase in the U.N. regular budget—of which the U.S. is charged 22 percent—should receive particular attention from Congress.

The U.N. regular budget has more than doubled from \$2.49 billion for the 2000–2001 two-year (biennial) budget to the \$5.16 billion under the 2010–2011 biennial budget approved by the General Assembly on December 23, 2009.²

This level of growth is extraordinary. The U.N. regular budget has increased even faster than the

U.S. budget, which grew by 97 percent between 2000 and 2010 (in nominal terms).³ Unlike the U.N. peacekeeping budget, which also increased dramatically over the past decade, the increase in the U.N. regular budget is more attributable to the organization's unwillingness to reform and prioritize expenditures than it is a representation of an expansion of U.N. efforts to help nations or people in times of crisis.

A Very Modest Proposal. In December 2009, the U.N. Secretary-General proposed increasing the 2012–2013 biennial budget by more than \$300 million to \$5.456 billion.⁴ He affirmed this proposal in November 2010.⁵ Since then, however, the Secretary-General has had a change of heart, stating, "We must be realistic about the current economic climate. Even the wealthiest nations are tightening their belts and cutting budgets. The United Nations must be no less disciplined. We cannot go about business as usual."⁶

Ban is asking his "senior managers to prepare a budget with a 3% reduction as compared with the previous budget." Of course, as has been typical of the U.N. regular budget over the past decade, the current budget has grown substantially since first being approved and now stands at \$5.37 billion.

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Thus, in reality, the Secretary-General is calling for a 2012–2013 biennial budget that is roughly \$50 million *more* than the budget originally approved for 2009–2010. This is hardly an austere proposal, particularly when juxtaposed with the enormous budgetary increases over the past decade.

Congressional Hearings Present an Opportunity. On March 16, the House Committee on Appropriations is holding a budget hearing featuring U.S. Ambassador to the United Nations Susan Rice. That same day, the Senate Foreign Relations Committee is holding a confirmation hearing for Joseph Torsella to be Representative to the United Nations for U.N. Management and Reform. Committee members should use these hearings to press the Administration for details about its objectives and priorities for reducing the U.N. regular budget, seeking reimbursement of funds owed to the U.S. by the U.N., and progress made toward U.N. reform. Specifically, Congress should:

- **Insist that a 3 percent “cut” in the U.N. budget is insufficient.** In its effort to address America’s budgetary crisis, the House approved measures that would reduce non-defense discretionary spending to nearly 2008 levels. When originally approved, the 2008–2009 U.N. regular budget was \$4.4 billion. Congress should identify that spending level—a 19 percent reduction from the current \$5.4 billion budget—as its target. This target could be nearly met just by eliminating funding in the regular budget for the regional

economic commissions, the U.N. Conference on Trade and Development, and U.N. activities and programs that already receive over 90 percent of their funding through extrabudgetary contributions to the U.N.

- **Ask why the U.S. is paying 100 percent of the costs for U.N. security upgrades and investigate State’s decision to give the U.N. \$100 million.** Earlier this year, the State Department informed Congress that it had authorized the U.N. to use \$100 million of the \$179 million owed to the U.S. from the U.N. Tax Equalization Fund (TEF) to finance security upgrades for the U.N. headquarters building in New York. If these upgrades had been conducted as part of the U.N. Capital Master Plan (CMP)—where the U.S. pays 22 percent of the costs—the U.S. would have saved \$78 million. The Administration did not seek congressional authorization for that decision, and the Secretary-General has begun spending that money without requisite authority from the U.N. General Assembly. Congress should refuse to provide funding to the CMP (\$75.5 million owed to the CMP for FY 2011 and FY 2012) until the Administration answers fundamental questions about this issue.⁷
- **Demand reimbursement of or credit toward accounts for all funds owed to the U.S. by the U.N.** The U.N. has retained funds owed to American taxpayers both with the TEF and with the cash surpluses from closed peacekeeping mis-

1. Brett D. Schaefer, “A Short United Nations To-Do List for the New Congress,” Heritage Foundation *WebMemo* No. 3064, November 18, 2010, at <http://www.heritage.org/research/reports/2010/11/a-short-united-nations-to-do-list-for-the-new-congress>.
2. Brett D. Schaefer, “Time to Rein in the U.N.’s Budget,” Heritage Foundation *Backgrounder* No. 2368, February 3, 2010, at <http://www.heritage.org/research/reports/2010/02/time-to-rein-in-the-uns-budget>.
3. U.S. Department of State, “Congressional Budget Justification, Volume 1: Department of State Operations Fiscal Year 2012,” p. 544.
4. United Nations, Advisory Committee on Administrative and Budgetary Questions, “Proposed Programme Budget Outline for the Biennium 2012–2013,” A/65/611, December 9, 2010.
5. United Nations, Office of the Secretary-General, “Proposed Programme Budget Outline for the Biennium 2012–2013,” A/65/560, November 5, 2010.
6. Martin Nesirky, Spokesperson for Secretary-General Ban Ki-moon, “Highlights of the Noon Briefing,” March 9, 2011, at <http://www.un.org/News/ocssg/hilites.shtml> (March 15, 2011).
7. For background and a list of specific questions, see Brett D. Schaefer, “Congress Should Investigate Administration’s \$100 Million Gift to U.N. from Tax Equalization Fund,” Heritage Foundation *WebMemo* No. 3155, February 15, 2011, at [http://www.heritage.org/research/reports/2011/02/congress-should-investigate-administrations-\\$100-million-gift-to-un-from-tax-equalization-fund](http://www.heritage.org/research/reports/2011/02/congress-should-investigate-administrations-$100-million-gift-to-un-from-tax-equalization-fund).

sions. The U.S. is still owed \$79 million from the TEF. The U.N. reported last week that it owed \$230 million to the member states from closed peacekeeping operations, part of which is owed to the U.S., which is the largest contributor to U.N. peacekeeping. Together, the amount owed to the U.S. from these accounts is estimated to be over \$150 million. Congress should insist that the U.N. reimburse the U.S. the amounts it is owed or otherwise credit the amounts against its assessment.

- **Press the Administration for specifics about its U.N. reform agenda.** The Administration has asserted that it is seeking to increase transparency, accountability, and oversight at the U.N., but it has provided few details on the status of these efforts. Congress should demand a detailed account of the U.N. reforms achieved at the behest of the U.S. over the past two years, the degree to which those reforms have been implemented and are being observed, and specific examples of how those efforts are serving to improve transparency and accountability in the U.N.
- **Seek to revitalize the U.N. Mandate Review.** The U.N. Secretariat initiated a process in 2006 to review all U.N. activities (or mandates) for relevance, effectiveness, and duplication. A robust review of U.N. mandates accompanied by U.S.

demands that outdated, irrelevant, or duplicative mandates be eliminated could save millions of dollars. Unfortunately, opposition by a number of member states has virtually killed the Mandate Review.⁸ Congress should insist that the Administration revive the Mandate Review and insist on sunset clauses for all U.N. mandates so that they that would automatically terminate after the biennium unless they have been certified as relevant by the review.

Reining in the U.N. Budget. The power of the purse places clear responsibility on Congress to ensure that U.S. taxpayer dollars are used prudently. That responsibility is not limited to funds expended by the U.S. government; it also extends to U.S. funds provided to international organizations like the U.N. Congress should use the hearing process to press the Administration on its efforts to reduce wasteful or unnecessary spending at the U.N. and improve oversight and accountability for those funds.

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8. The latest progress in actually eliminating mandates is from 2006: “To date, out of the 399 non-renewed mandates older than five years to be examined, only 69 have been agreed by all Member States to be completed and put aside.” See Irene Martinetti, “Sluggish Progress on UN Mandate Review,” Center for UN Reform Education, August 16, 2006, at <http://www.centerforunreform.org/node/62> (March 15, 2011).