

WebMemo



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Congress Should Renew the Report Requirement on U.S. Contributions to the U.N. and Reverse Record Setting Contributions to the U.N.

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U.S. contributions to the U.N. system reached a record level of \$7.692 billion in fiscal year (FY) 2010—a staggering 21 percent increase over FY 2009.¹ This is the third consecutive year in which U.S. contributions set new records.

The current budgetary crisis should focus congressional attention on whether increased funding for the U.N. is a priority, particularly considering well-documented U.N. management and oversight deficiencies. Having an accurate account of U.S. contributions to the U.N. is critical to this evaluation.

Record-Setting Contributions to the U.N. The United States has been the largest financial supporter of the United Nations since the organization's founding in 1945. The U.S. is assessed 22 percent of the U.N. regular budget and more than 27 percent of the U.N. peacekeeping budget. In dollar terms, the Administration's budget for FY 2012 requested \$568.7 million for the U.N. regular budget and more than \$1.92 billion for the U.N. peacekeeping budget.² In addition, the U.S. also provides additional billions in assessed and voluntary contributions to other organizations in the U.N. system each year.

Despite America's detailed budgetary process and documentation, comprehensive information on U.S. contributions to the U.N. have not been readily available until recently. Most U.S. contributions to the U.N. originate in the State Department

and the U.S. Agency for International Development (USAID). For FY 2010, for instance, the State Department and USAID accounted for over 95 percent of all U.S. contributions to the U.N.

However, hundreds of millions of U.S. taxpayer dollars go to the U.N. and affiliated organizations through other parts of the U.S. government. For instance, the U.S. Department of Agriculture provides funding to the Food and Agriculture Organization, the Department of Energy provides funds to the International Atomic Energy Agency, and the Department of Health and Human Services provides funds to the World Health Organization.

Because of the complexity of U.S. funding to the U.N., prior to 2006 there was no definitive data on total U.S. contributions to the U.N. system. Estimates relied on incomplete State Department data. In an effort to get an authoritative figure for total U.S. contributions to the United Nations, Senator Tom Coburn (R-OK) asked former OMB director Rob Portman for a comprehensive report on total U.S. contributions to the U.N. system for fiscal years 2001 through 2005.³ Because OMB is in charge of overseeing the preparation of the President's budget,

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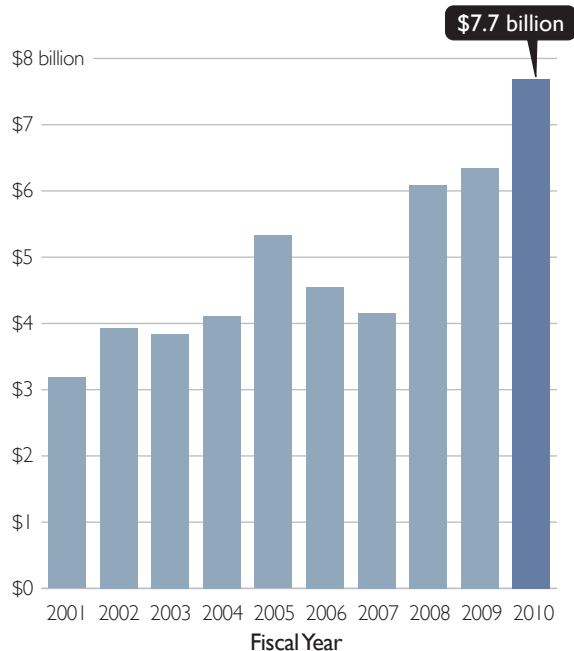
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U.S. Contributions to the United Nations

In 2010, the U.S. contributed nearly \$7.7 billion to the United Nations, 21 percent more than in 2009.



Sources: FY 2001–2005: Letter from the White House Office of Management and Budget to Senator Tom Coburn, July 28, 2006, the Hudson Institute, at http://www.eyeontheun.org/assets/attachments/documents/OMB_report_on_US_contributions_to_UN.pdf (July 22, 2011); FY 2006–2008: U.S. Department of State, “Report to Congress on U.S. Contributions to the United Nations System,” May 15, 2008, at <http://www.state.gov/documents/organization/130242.pdf> (July 22, 2011), and February 2, 2010, at <http://www.state.gov/documents/organization/137490.pdf> (July 22, 2011); FY 2009–2010: White House Office of Management and Budget, Annual Report on United States Contributions to the United Nations, June 7, 2010, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/us_contributions_to_the_un_06112010.pdf (July 22, 2011), and June 6, 2011, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/us_contributions_to_the_un_06062011.pdf (July 22, 2011).

Chart 1 • WM 3324  heritage.org

it was in a position to require all parts of the U.S. government to report the requested information.

The results of the first report were eye-opening. The State Department inexactly estimated that the United States contributed “well over \$3 billion” to the U.N. in 2004. In its 2006 report, OMB calculated that U.S. contributions to the entire U.N. system actually totaled \$4.115 billion in 2004 and \$5.327 billion in 2005. Thus, the State Department estimate for 2004 was only about 75 percent of the actual U.S. contribution for that year as calculated by OMB.

According to OMB, total U.S. contributions to the U.N. system reached record levels for the third year in a row in FY 2010. U.S. contributions to the U.N. exceeded \$7.691 billion in 2010. This is more than \$1.3 billion more than the previous record of \$6.347 billion in FY 2009 and more than \$1.6 billion more than in FY 2008.

U.S. Financial Crisis Requires U.N. Budget Cuts. The staggering increase in U.S. contributions to the U.N. in recent years (contributions in 2010 were more than 21 percent more than in 2009) is indicative of the rising budgetary trends across the U.N. system over the past decade⁴:

- The U.N. regular budget has more than doubled from \$2.49 billion approved by the General Assembly for the 2000–2001 biennial budget to \$5.16 billion approved for the 2010–2011 biennial budget.
- The U.N. peacekeeping budget increased more than fourfold from \$1.7 billion in 2000–2001 to \$7.2 billion in 2010–2011.
- Excluding contributions to the U.N. regular budget, U.S. funding for U.N.-affiliated organizations through the Contributions to Interna-

1. Jacob J. Lew, “Annual Report on United States Contributions to the United Nations,” Office of Management and Budget, June 6, 2011, at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/us_contributions_to_the_un_06062011.pdf (July 22, 2011).
2. U.S. Department of State, *Congressional Budget Justification Volume 1: Department of State Operations Fiscal Year 2012*, pp. 544 and 671, at <http://www.state.gov/documents/organization/156215.pdf> (July 22, 2011).
3. Rob Portman, “Report on US Contributions to the United Nations System,” Office of Management and Budget, July 31, 2006, at http://www.eyeontheun.org/assets/attachments/documents/OMB_report_on_US_contributions_to_UN.pdf (July 22, 2011).
4. For sources and more details see Brett D. Schaefer, “United Nations: Urgent Problems That Need Congressional Action,” Committee on Foreign Affairs, U.S. House of Representatives, January 25, 2011, at <http://foreignaffairs.house.gov/112/sch012511.pdf> (July 22, 2011).

tional Organizations account were estimated in 2000 to be \$375 million in FY 2000 and \$645.5 million in FY 2010.

The rapid expansion of U.N. budgets has been combined with minimal attempts at prioritization. For example, spurred by complaints in Congress and fiscal belt tightening by member states, the U.N. Secretary-General declared his intent to impose a 3 percent cut in the upcoming U.N. regular budget for 2012–2013. Indeed, the proposed \$5.197 billion biennial U.N. regular budget for 2012–2013 is 3.2 percent less than the revised \$5.367 billion budget for 2010–2011.

However, the Secretary-General's claimed budget savings are based on speculative efficiency gains, such as videoconferencing in lieu of travel or reducing printed reports in favor of electronic documents, which have yet to be approved by the General Assembly or implemented. The budget avoids the overdue necessity to analyze and eliminate ineffective or duplicative mandates, some of which date back to the 1940s. It also makes only a cosmetic staff cut of 44 posts (after U.N. employment funded by the regular budget increased more than 20 percent from 2008 to 2009) and largely ignores the need to reduce staff costs, which account for roughly 65 percent of the U.N. budget.⁵

Moreover, the Secretary-General's claims of budget austerity are based on an apples-to-oranges comparison. The proposed budget for 2010–2011 (the current stage of the 2012–2013 budget) was only \$4.887 billion—some \$310 million less than the 2012–2013 proposed budget.⁶ Doubtless, without strong U.S. pressure demanding budgetary constraint, the proposed budget for 2012–2013 will grow substantially as did the previous budget.

The failure to prioritize budgets is not restricted to Turtle Bay. There are reports that other U.N. organizations are unable to effectively use the resources that the member states have provided. For instance, the Norwegian government recently concluded that four of the U.N.'s biggest development and aid agencies—the U.N. Development Program (UNDP), the World Food Program (WFP), UNICEF, and U.N. Population Program UNFPA)—had consistently increased their budgets despite accruing at least \$12.2 billion in unspent cash by the end of 2009. “UNFPA, UNICEF, UNDP and WFP are building up considerable reserves and/or [are] unable to spend a growing share of resources,” according to the report, which adds that “the buildup of reserves implies that substantial donor funding is not being used for development purposes.”⁷

Each of the four U.N. organizations in the Norwegian report increased their budgets by 80 percent to 120 percent between 2000 and 2010.⁸ The Norwegian report indicates, however, that they have routinely requested more resources than they require. While these organizations doubtlessly do good work, America's budget crisis no longer allows for the extravagance of providing them resources that they do not or cannot use effectively or within their budget cycles.

Budgetary Cuts and Permanent Reporting Requirement Needed. The U.S. has fought a difficult battle for U.N. budgetary restraint and management reform for decades. Making sure U.S. contributions are used appropriately and how to best allocate them to advance U.S. interests starts with knowing how much the U.S. is providing to the U.N. and where that funding originates. Congress is right to demand accurate information. The legislative reporting requirement expires in 2011.

5. For details see Brett D. Schaefer, “The U.S. Must Maximize Its Influence over U.N. Budgetary Decisions,” Heritage Foundation *WebMemo* No. 3234, April 25, 2011, at <http://www.heritage.org/Research/Reports/2011/04/The-US-Must-Maximize-Its-Influence-over-UN-Budgetary-Decisions>.
6. U.N. Secretary-General, “Proposed Programme Budget for the Biennium 2012–2013: Foreword and Introduction,” United Nations Document A/66/6 (Introduction), May 27, 2011; Secretary-General, “Proposed Programme Budget for the Biennium 2010–2011: Foreword and Introduction,” United Nations Document A/64/6 (Introduction), September 11, 2009.
7. George Russell, “U.N. Aid Agencies Heaped Up Huge Amounts of Cash,” Fox News, July 20, 2011, at <http://www.foxnews.com/world/2011/07/20/report-un-aid-agencies-stockpile-huge-amounts-cash/> (July 22, 2011).
8. U.N. Secretary-General, “Budgetary and Financial Situation of the Organizations of the United Nations System,” United Nations Document A/65/187, August 3, 2010.

Congress should take action to make this reporting requirement permanent.

America's current budgetary crisis adds fiscal necessity to underscore that oversight responsibility. The record-setting level of U.S. contributions to the U.N. in recent years and the notoriously weak and inadequate oversight, transparency, and accountability standards in the U.N. system should lead Congress to reverse the trend of increasing U.S.

contributions to the U.N. and demand budgetary restraint in the U.N. system.

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