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BACKGROUNDER

No. 2701 | JUNE 18, 2012

The Window of Opportunity to Overhaul the U.N. Scale of Assessments Is Closing

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Abstract
This month the U.N. Committee on Contributions is meeting to review the U.N. scale of assessments, which apportions the expenses of the regular budget and, by extension, the peacekeeping budget. Under U.N. rules, the budget is passed by a two-thirds majority of the General Assembly, even if those countries pay only a small fraction of the expenses. Theoretically, based on the current scale, countries paying less than 1.3 percent of the budget could pass it over the objections of countries paying over 98 percent. This divorce between financial obligations and voting contributes to fiscal irresponsibility and impedes efforts to adopt reforms to use U.N. funds more effectively and improve transparency and accountability. The U.S. should seek changes to give major donors greater say in budgetary decisions and to spread the burden of the scale of assessments more equitably.

This paper, in its entirety, can be found at **http://report.heritage.org/bg2701**

Produced by the Margaret Thatcher Center for Freedom

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Every three years the member states of the United Nations negotiate how to apportion the expenses of the U.N. regular budget and the peacekeeping budget. These negotiations center on the U.N. "scale of assessments," which assigns a specific percentage of the budget to each member state, broadly based on its capacity to pay as calculated from its gross national income (GNI), modified by various factors.[1] The current system is based on a methodology that results in a handful of states footing the lion's share of U.N. costs, but with a disproportionately limited ability to shape the budget itself. This tilted system has undermined efforts to reform the U.N. to improve efficiency, transparency, and accountability.

In June 2012, the U.N. Committee on Contributions, the body of experts charged with analyzing the scale of assessments and its various criteria and elements, is meeting to recommend adjustments for the General Assembly to consider next fall. The U.S. has a representative on this Committee. The Obama Administration should press strongly at this meeting and during the fall to adjust the scale of assessments for 2013–2015 to spread the financial

Talking Points

- Every three years the member states of the United Nations negotiate how to apportion the expenses of the organization based on its "scale of assessments"; 2012 is one of those years.
- The U.S. will pay about $2.5 billion in 2012 for the U.N. regular and peacekeeping budgets—more than the combined contributions of more than 180 U.N. member states. Yet the countries that contribute relatively little to the U.N. can approve the budget over the objections of the U.S. and other major contributors.
- The divorce between financial obligations and voting contributes to fiscal irresponsibility and impedes efforts to adopt reforms to improve U.N. effectiveness, transparency, and accountability.
- The U.S. should seek to link budgetary decision making to financial obligations, simplify the scale of assessments and make the process more transparent, and lessen the disparity in apportionment so that smaller contributors assume financial responsibilities that lead them to take budgetary decisions with the seriousness they merit.

burden more equitably among the member states.

The U.N. scale of assessments has two primary problems:

- Overcomplexity and opacity and
- Extreme imbalance caused by an overemphasis on "capacity to pay" based on relative shares of the world economy, unleavened by what those percentages mean in dollars.

To address these problems, the U.S. should:

- Demand more transparency in the process for calculating the scale of assessments;
- Insist on a simpler formula that omits seldom applied provisions;
- Modify the budget rules to give larger contributors greater influence in budgetary decision making;
- Raise the minimum assessments for both the regular and peacekeeping budgets to encourage even the smallest contributors to fulfill their oversight role and question budget increases;
- Establish minimum assessment levels for both permanent and nonpermanent Security Council member states; and
- Propose using gross national income data adjusted for purchasing power parity (PPP) to better reflect a member's capacity to pay.

Reforming the U.N. scale of assessments is controversial, and the U.S. faces significant pressure to avoid suggesting major changes. However, the chance to adjust the assessment comes only once every three years, and the U.S. should not squander the opportunity.

The Origins of Capacity to Pay

The delegates at the preparatory conferences preceding the creation of the United Nations—which negotiated the details of the organization's structure, responsibilities, and general rules and procedures—spent little time discussing how to fund the "new" organization, at least in comparison to the issues of membership and the Security Council. However, the American delegation had reservations about granting the General Assembly sole budgetary power and, at various points, suggested giving the Security Council some authority over the budget, final approval of apportionment of U.N. expenses (the respective percentages of the budgets that member states would pay), and the authority to appoint a treasurer for the organization. Furthermore, just before the Dumbarton Oaks Conference, the U.S. called for a system of weighted voting on the budget and apportionment with "each state having voting power in proportion to its contribution to the organization's expenses."[2] The "weighted voting proviso disappeared," but eventually was implemented for "the operations of the International Monetary Fund and the International Bank for Reconstruction and Development."[3]

The U.N. Charter, completed at the 1945 San Francisco Conference, reflects this minimalist approach to budgetary issues. The sole references to U.N. budgetary procedures are in Articles 17, 18, and 19. Article 17 states, "The General Assembly shall consider and approve the budget of the Organization" and that the "expenses of the Organization shall be borne by the Members as apportioned by the General Assembly." Per Article 18, each member state has one vote, and important matters, including budgetary questions, require approval "by a two-thirds majority of the members present and voting." Article 19 stipulates that any member state "in arrears in the payment of its financial contributions to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years" unless the General Assembly "is satisfied that the failure to pay is due to conditions beyond the control of the Member."[4]

The cursory treatment of budgetary issues and lack of detail on

1. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/Res/64/248, February 5, 2010, http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/64/248 (accessed May 31, 2012), and U.N. General Assembly, "Implementation of General Assembly Resolutions 55/235 and 55/236: Report of the Secretary-General," A/64/220, September 23, 2009, http://www.un.org/ga/search/view_doc.asp?symbol=A/64/220 (accessed May 31, 2012).
2. Robert C. Hilderbrand, *Dumbarton Oaks: The Origins of the United Nations and the Search for Postwar Security* (Chapel Hill, NC: University of North Carolina Press, 1990), p. 110.
3. J. David Singer, *Financing International Organization: The United Nations Budget Process* (The Hague: Martinus Nijhoff, 1961), p. 3.
4. Charter of the United Nations, arts. 17–19, http://www.un.org/en/documents/charter/index.shtml (accessed May 31, 2012).

financial contributions and budgetary decision making were deliberate. It was, in the words of the Venezuelan delegate, "one of the most delicate and debated questions in international organization" and was avoided out of concern that it could undermine the delicate negotiations underway.[5] Suggestions to include details in the Charter were rejected as "too technical" for the Charter and too difficult to change in the future because it would require a Charter amendment.[6] This eliding facilitated negotiations in San Francisco, but laid the groundwork for repeated budgetary clashes and crises over the next 60 years.

At the San Francisco Conference, the delegates agreed that all the member states would assist in paying for U.N. expenses and, therefore, should have a say in determining the budget. However, there were considerable differences about what this meant. Participants from the U.S. Congress understood that these budgetary responsibilities would not be equal, especially considering the economic devastation of World War II on the economies of many prospective U.N. member states. They clearly believed, however, that other member states would step forward and that the U.S. would not be expected to pay an outsized share of the costs. Specifically, congressional records indicate that Congress anticipated that the U.S. would be asked to pay for roughly 25 percent of the budget, as it did in other international organizations such as the Food and Agriculture Organization, which was created contemporaneously with the U.N., or even a lower percentage as the U.S. did in the International Telecommunication Union and the Universal Postal Union, which dated from the late 1800s.

"WE CANNOT HELP INDIVIDUALS OR NATIONS BY DOING FOR THEM WHAT THEY VERY DEFINITELY MUST DO FOR THEMSELVES."

Nonetheless, some Members of Congress expressed concerns about the lack of details on U.N. funding. Senator Henrik Shipstead (R–MN), one of two Senators who voted against the U.N. Charter in the Senate,[7] was concerned about the Charter's ambiguity and challenged his colleagues to "define ... the unequivocal meaning of its specific intentions and provisions."[8] Referring to the U.S. as the "world's milk cow," he also argued that "the bulk of the resources required to start and maintain these immense undertakings [the U.N. and other international organizations established contemporaneously] on their careers must be furnished by the United States" creating "a financial race with disaster."[9]

Although a supporter of the U.N. Charter and cognizant of the need for an active American international presence, Senator Howard A. Smith (R–NJ) expressed similar concerns about the "staggering financial commitments" assumed by the U.S. through membership in the many international organizations, including the U.N., especially at the end of World War II:

> I am definitely opposed, as I have said many times, to the United States acting in the role of Santa Claus for the rest of the world.... There is a very definite limit to the amount that we can loan or give to other nations for their rehabilitation. But aside from our inability to pay the bills, it is also my considered judgment that the worst thing we could do for the world would be to let the impression get abroad that we are expecting to pay the bills. We cannot help individuals or nations by doing for them what they very definitely must do for themselves.[10]

The Senate ratified the Charter overwhelmingly, but subsequent events have demonstrated that these concerns about the ambiguity of U.N. financing, while perhaps exaggerated, were merited.

Senator Arthur Vandenberg (R–MI), a key congressional voice at the San Francisco Conference, attended the initial General Assembly session in London in 1946 and reported to Congress that America's "provisional

5. Singer, *Financing International Organization*, p. 6.
6. Ibid., pp. 6–7.
7. Senator William Langer (R–ND) also voted against the U.N. Charter.
8. *Congressional Record*, U.S. Senate, July 27, 1945, p. 8118.
9. Ibid., Rec. 8119.
10. Ibid., Rec. 8033.

share [of the budget] is 25 percent."[11] Vandenberg was referencing the initial agreement in the U.N. General Assembly's Fifth Committee that assessed the United States 24.614 percent of the total expenses for the U.N. Working Capital Fund, which was based on the scale used by the Food and Agriculture Organization.[12]

Based on this report, Congress believed that the U.S. share of the U.N. budget would be roughly 25 percent. However, the U.N. Working Capital Fund scale was provisional. The task of determining the official member state assessments for U.N. costs was assigned to the Committee on Contributions, which was composed of 10 experts[13] who were from 10 different countries and were "selected on the basis of broad geographical representation and experience."[14] The committee was instructed to devise a scale of assessments for the member states based on the outline established in the Report of the Preparatory Commission of the United Nations:

> The expenses of the United Nations should be apportioned broadly according to capacity to pay. It is, however, difficult to measure such capacity merely by statistical means, and impossible to arrive at any definite formula. Comparative estimates of national income would appear prima facie to be the fairest guide. The main factors which should be taken into account in order to prevent anomalous assessments resulting from the use of comparative estimates of national income include:
>
> (a) Comparative income per head of population;
>
> (b) Temporary dislocation of national economies arising out of the Second World War;
>
> (c) The ability of Members to secure foreign currency.
>
> *Two opposite tendencies should also be guarded against: some Members may desire unduly to minimize their contributions, whereas others may desire to increase them unduly for reasons of prestige.* If a ceiling is imposed on contributions the ceiling should not be such as seriously to obscure the relation between a nation's contributions and its capacity to pay. The Committee should be given discretion to consider all data relevant to capacity to pay and all other pertinent factors in arriving at its recommendations. Once a scale has been fixed by the General Assembly it should not be subjected to a general revision for at least three years or unless it is clear that there have been substantial changes in relative capacities to pay.[15]

The committee met in three sessions in 1946 to determine an apportionment scale that fit these criteria.[16]

> [T]he Committee and its experts based their subsequent calculations on a series of controversial assumptions. They applied "the principle of progressive taxation" in addition to making "appropriate reductions in the apportionments of countries that have suffered from the war." They had to rely, moreover, on data for the pre-war years of 1938–1940, making adjustments for the very different effects the war had on various economies.[17]

The scale of assessments recommended by the committee in October 1946 looked quite different from the provisional arrangement reported to Congress by Senator Vandenberg. Most critical from the U.S. perspective, the committee recommended

11. Edward C. Luck, "Reforming the United Nations: Lessons from a History in Progress," *International Relations Studies and the United Nations Occasional Papers* No. 1, 2003, p. 30, http://dspace.cigilibrary.org/jspui/bitstream/123456789/5935/1/Reforming%20the%20United%20Nations%20Lessons%20from%20a%20History%20in%20Progress.pdf (accessed May 31, 2012).
12. U.N. General Assembly, "Budgetary and Financial Arrangements," Resolution 14(1), February 1, 1946, http://www.un.org/documents/ga/res/1/ares1.htm (accessed May 31, 2012).
13. The number of experts was increased to 12 members in 1968, 13 in 1972, and 18 members in 1976. United Nations, "Committee on Contributions: Members," http://www.un.org/en/ga/contributions/members.shtml (accessed May 31, 2012).
14. United Nations, *Report of the Preparatory Commission of the United Nations*, December 23, 1945, p. 108, http://www.un.org/ga/search/view_doc.asp?symbol=PC/20 (accessed May 31, 2012).
15. Ibid., p. 108 (emphasis added).
16. U.N. General Assembly, "Report of the Committee on Contributions," A/80, October 11, 1946, http://www.un.org/ga/search/view_doc.asp?symbol=A/80 (accessed May 31, 2012).
17. Luck, "Reforming the United Nations," p. 30.

that the U.S. pay 49.89 percent of the budget.[18] The U.S. objected strongly to this recommendation, with Senator Vandenberg leading the effort, arguing that the data used to arrive at this figure were flawed or "arrived at by a certain amount of guess-work" and that such a disproportionate share would undermine "the sovereign equality of nations."[19] After extended debate failed to reach consensus, the Fifth Committee sent the report to an 11-person subcommittee, which revised the scale and reduced the U.S. assessment to 39.84 percent. The U.S. reluctantly accepted this compromise, but sought consistently in subsequent decades to reduce the U.S. assessment further. The U.S. succeeded in incrementally ratcheting down its assessment, most recently reducing its regular budget assessment to 22 percent starting in 2001.

The Evolution of Apportionment

The Fifth Committee unanimously approved the adjusted scale proposed by the subcommittee, and it has served as the foundation for the Committee on Contributions' periodic "revision" of the U.N. scale of assessments ever since. Beginning with the scale for 1956–1958, the General Assembly began applying the scale for three-year periods as recommended by the Preparatory Commission.

THE U.S. SUCCEEDED IN INCREMENTALLY RATCHETING DOWN ITS ASSESSMENT, MOST RECENTLY REDUCING ITS REGULAR BUDGET ASSESSMENT TO 22 PERCENT STARTING IN 2001.

The basis for apportionment "broadly according to capacity to pay" was a member state's gross national income converted into U.S. dollars.[20] Per instruction from the General Assembly, this base figure was adjusted for three factors:

- **Comparative income per head.** From the beginning, the member states sought to reduce the financial burden of U.N. membership for countries with a very low per capita income to bring their financial responsibilities broadly in line with their capacity to pay. They did not wish U.N. membership to cause severe financial hardship. The initial scale of assessments granted reductions as high as 40 percent to countries with a per capita income under $1,000 per year according to a mathematical formula that increased the discount for the countries with lower per capita incomes.[21] Over the years, the General Assembly has repeatedly expanded the deductions and increased the per capita limit to qualify for those reductions. However, as evidenced from their actions in establishing a minimum assessment of 0.04 percent in 1946, they did not believe that membership should be costless or insignificant, even though the original member states included very poor countries such as Haiti.

- **Temporary dislocation of national economies from World War II.** Because of the massive disruptions caused by World War II, reliable economic data were unavailable immediately after the war, and the initial scale was forced to rely on prewar data for determining national income. The committee attempted to adjust these prewar data to reflect the postwar reality, but these efforts were approximations at best. Nonetheless, the national income data were adjusted to reflect damage caused by war to the capacity to pay. As postwar data became available, the justification for these adjustments receded, and the General Assembly removed this issue from consideration in 1973.[22]

18. U.N. General Assembly, "Report of the Committee on Contributions," A/80, p. 11.
19. Singer, *Financing International Organization*, pp. 125–126.
20. U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 10, A/2716, 1954, p. 2, http://www.un.org/ga/search/view_doc.asp?symbol=A/2716(supp) (accessed May 31, 2012).
21. According to the Committee on Contributions, "The deduction made in the past has been arrived at as follows. The difference between a country's per capita income and $1,000 has been expressed as a percentage, and 40 per cent of that percentage has been deducted from the country's basic national income. Thus, the lower the per capita income the more nearly the percentage deduction approached 40 per cent, e.g., a country with an income of only $50 per head benefited by a maximum of 38 per cent, while a country with a per capita income of $1,000 or over would receive no reduction at all." Ibid.
22. U.N. Office of Legal Affairs, "Repertory of Practice of United Nations Organs: Extracts Relating to Article 17(2) of the Charter of the United Nations," Supplement No. 5 (1970–1978), vol. 1, p. 196, http://untreaty.un.org/cod/repertory/art17/english/rep_supp5_vol1-art17_2_e.pdf (accessed May 31, 2012) (hereafter cited as Extracts, Supplement No. 5).

Current Methodology: Regular Budget Scale of Assessments

The United Nations scale of assessments for 2010–2012 is based on the following:

- Estimates of gross national income;
- Average statistical base periods of three and six years;
- Conversion rates based on market exchange rates, except where that would cause excessive fluctuations and distortions in the income of some member states, in which case price-adjusted rates of exchange or other appropriate conversion rates are employed;
- The debt-burden approach employed in the scale of assessments for the period 2007–2009;
- A low per capita income adjustment of 80 percent, with a threshold per capita income limit of the average per capita gross national income of all member states for the statistical base periods;
- A minimum assessment rate of 0.001 percent;
- A maximum assessment rate for the least developed countries of 0.01 percent; and
- A maximum assessment rate of 22 percent.[24]

- **Ability to secure foreign currency.** The committee could not agree on a practical way to systematically incorporate access to foreign currency, particularly the U.S. dollar in which the U.N. budget was calculated, into its assessments. Rather than ignoring this factor, the committee reports stated without detail that it was "one of the factors taken into account in arriving at certain individual assessments."[23] In succeeding years, the committee repeatedly recommended to continue arrangements for countries to pay their contributions in currencies other than the U.S. dollars.

Over the years additional criteria have been proposed and explored by the Committee on Contributions, which is charged with

> advis[ing] the General Assembly concerning the apportionment, under Article 17, paragraph 2, of the Charter, of the expenses of the Organization among Members, broadly according to capacity to pay. The scale of assessments, when once fixed by the General Assembly, shall not be subject to a general revision for at least three years unless it is clear that there have been substantial changes in relative capacity to pay. The Committee shall also advise the General Assembly on the assessments to be fixed for new Members, on appeals by Members for a change of assessments and on the action to be taken with regard to the application of Article 19 of the Charter.[25]

Some criteria, such as replacing the percentage system with a unit system of assessment, have been rejected.[26] The General Assembly has instructed the Committee to incorporate other criteria and in some cases later abolished them.[27] Still others, such as incorporating

23. U.N. Office of Legal Affairs, "Repertory of Practice of United Nations Organs: Extracts Relating to Article 17(2) of the Charter of the United Nations," Supplement No. 1 (1945–1954), vol. 1, p. 536, http://untreaty.un.org/cod/repertory/art17/english/rep_orig_vol1-art17_2_e.pdf (accessed June 8, 2012).
24. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/64/248, February 5, 2010, http://www.un.org/ga/search/view_doc.asp?symbol=a/res/64/248 (accessed May 31, 2012).
25. United Nations General Assembly, "Rules of Procedure," Rule 160, http://www.un.org/en/ga/about/ropga/abq.shtml (accessed June 8, 2012).
26. U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 10, A/2716, 1954, p. 5.
27. For instance, in 1948, the General Assembly instructed the committee "that in normal times the per capita contribution of any Member should not exceed the per capita contribution of the Member which bears the highest assessment" and was fully implemented by 1956. This instruction saw limited application, such as to relatively wealthy countries unable to apply for a reduced assessment based on low per capita income, but with small populations that would result in higher payments per capita than those applied to the United States. For instance, in 1970, the principle only applied to Sweden and Kuwait. The few countries benefiting from this provision informed the Committee on Contributions in 1972 that they would forgo the benefits of this provision. Subsequently, the General Assembly abolished the per capita ceiling starting with the 1977–1979 scale. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/238(III)(A), November 18, 1948, at http://www.un.org/depts/dhl/resguide/r3.htm (accessed May 31, 2012); U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 11, A/8011, 1970, p. 12, http://www.un.org/ga/search/view_doc.asp?symbol=A/8011(supp) (accessed May 31, 2012); and U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," 3228(XXIX), November 12, 1974, http://www.un.org/Depts/dhl/resguide/r29.htm (accessed May 31, 2012).

a country's debt burden into the assessment, were received positively, but implementation was postponed due to a lack of reliable data or other concerns.

Under the current methodology, the regular budget expenses are apportioned "broadly according to capacity to pay" using eight elements and criteria. The basis for the scale remains gross national income, which is then converted to U.S. dollars using market exchange rates (or U.N.-determined price-adjusted rates of exchange if the market exchange rates "would cause excessive fluctuation and distortions in gross national income").[28] Early on, the U.N. experienced severe data challenges, but improved availability and accuracy of the data reported by governments or calculated by the U.N.—combined with data from the World Bank, the International Monetary Fund, and other international financial institutions—have minimized these issues in recent decades. Other criteria have evolved significantly over time.

Average Statistical Base Periods. Early on, the committee adopted the practice of using an average of national income statistics for multiple years to smooth out volatility. In 1953, the committee averaged data for the most recent two years. The next year the committee shifted to a three-year average, which it used through 1977.[29] In the 1970s, many countries began arguing that using such a short period led to significant, disruptive changes in assessments for some countries when a new scale was adopted. They argued that a longer period would help to stabilize rates between scales. Other countries opposed this, arguing that a longer time horizon would conceal the current economic realities. The argument for using a longer period prevailed, and the committee's recommended scales of assessments for 1978 and 1979 were based on a seven-year average.[30] In 1981, the General Assembly went even further, instructing the committee to use a 10-year base period for the 1983–1985 scale. The 10-year base period was used through the 1992–1994 scale,[31] but the General Assembly reversed course in the mid-1990s and instructed the committee to use base periods of seven and eight years for the 1995–1997 scale.[32] A six-year base period was used for the 1998–2000 scale, and an average of the six-year and three-year base periods has been used since the 2001–2003 scale.[33]

Debt Burden. In the early 1980s, countries began arguing that the scale of assessments did not accurately reflect their capacity to pay because gross national income did not adequately account for payments on external debt.[34] Under instructions from the General Assembly, the committee investigated various means for incorporating external indebtedness into the scale of assessments. Due to inadequate data, the committee used very basic measures, recommending deductions for debt as a ratio of export earnings and external debt as a ratio of gross national income. Specifically, the committee used a two-stage approach in the 1986–1988 scale,

28. U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 11, A/66/11, 2011, p. iii, http://www.un.org/ga/search/view_doc.asp?symbol=A/66/11 (accessed May 31, 2012).

29. U.S. General Accounting Office, "United Nations: How Assessed Contributions for Peacekeeping Are Calculated," August 1994, p. 1, http://gao.justia.com/department-of-state/1994/8/united-nations-nsiad-94-206/NSIAD-94-206-full-report.pdf (accessed May 31, 2012).

30. Extracts, Supplement No. 5, p. 195.

31. U.N. Office of Legal Affairs, "Repertory of Practice of United Nations Organs: Extracts Relating to Article 17(2) of the Charter of the United Nations," Supplement No. 6 (1979–1984), Vol. 2, p. 220, http://untreaty.un.org/cod/repertory/art17/english/rep_supp6_vol2_art17_2_e.pdf (accessed May 31, 2012) (hereafter cited as Extracts, Supplement No. 6); U.N. Office of Legal Affairs, "Repertory of Practice of United Nations Organs: Extracts Relating to Article 17(2) of the Charter of the United Nations," Supplement No. 7 (1985–1988), Vol. 2, p. 6–7, http://untreaty.un.org/cod/repertory/art17/english/rep_supp7_vol.2-art17_2__e.pdf (accessed May 31, 2012) (hereafter cited as Extracts, Supplement No. 7); and U.N. Office of Legal Affairs, "Repertory of Practice of United Nations Organs: Extracts Relating to Article 17(2) of the Charter of the United Nations," Supplement No. 8 (1989–1994), vol. 2, p. 7–10, http://untreaty.un.org/cod/repertory/art17/english/rep_supp8_vol2_art17_2_e_advance.pdf (accessed May 31, 2012) (hereafter cited as Extracts, Supplement No. 8).

32. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/48/223A-C, December 23, 1993, http://www.un.org/Depts/dhl/resguide/r48.htm (accessed May 31, 2012).

33. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/52/215A-D, December 22, 1997, http://www.un.org/depts/dhl/resguide/r52.htm (accessed May 31, 2012); and U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/55/5B-F, December 23, 2000, http://www.un.org/depts/dhl/resguide/r55.htm (accessed May 31, 2012).

34. Extracts, Supplement No. 7, p. 4.

applying a "10 percent deduction for countries with the heaviest debt burden, and 7.5, 5 and 2.5 percent for less affected countries."[35] For the 1995–1997 scale:

> [T]he national income of countries identified for debt relief—i.e., for the scale 1995–1997, those countries with per capita income below $6,000—was reduced by an amount based on a theoretical debt-service ratio; this meant, for the same period 1995–1997, that 12.5 per cent of their debt was reduced from the national income of the eligible countries.[36]

The current scale uses the same adjustment as the 1995–1997 scale, except for increasing the per capita income threshold. The cost of the debt adjustment is distributed on a proportional basis among the member states with per capita incomes that are above the threshold necessary to qualify for the adjustment.

Low Per Capita Income Adjustment. From the beginning, the U.N. has made an effort to reduce the financial burden for low-income countries. The initial scale of assessments granted reductions of up to 40 percent to countries with a per capita income under $1,000 per year.[37] In 1952, relatively soon after the initial scale, the General Assembly increased the maximum reduction from 40 percent to 50 percent.[38] The Committee on Contributions recommended granting additional concessions to countries with a per capita income of less than $300 in the 1965–1967 scale[39] and expanding that practice to countries with per capita incomes higher than $300, but less than $1,000, for the 1971–1973 scale.[40] Acting on instructions from the General Assembly to "change the elements of the low per capita income formula so as to adjust it to the changing world economic conditions," the committee raised "the upper limit of the allowance to $1,500" and increased the "maximum reduction to 60 per cent" for the 1974–1976 scale.[41] For the 1977–1979 scale, the per capita cap for the concessions was increased to $1,800, and the maximum deduction was increased to 70 percent.[42] The per capita income limit with an 85 percent deduction was increased to $2,100 in 1981, $2,200 in 1984, and then to $2,600 in 1990.[43] The General Assembly modified the low per capita income adjustment in 1993 to make it self-adjusting, so that the "per capita income limit [is] the average world per capita income for the statistical base period," and it retained the deduction or "gradient" at 85 percent.[44] The low-income adjustment was reduced to 80 percent in the 1998–2000 scale.[45] This process remains in place, with the cost of the adjustment being distributed on a proportional basis among the member states with per capita incomes that are above the threshold necessary to qualify for the adjustment.[46]

Minimum Assessment. Since the beginning, the Committee on Contributions was warned to guard against member states seeking "unduly to minimize their contributions."[47] In its first resolution

35. Ibid., p. 13.
36. Extracts, Supplement No. 8, p. 11.
37. U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 10, A/2161, 1952, p. 2.
38. U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 10, A/2716, 1954, p. 2.
39. Extracts, Supplement No. 5, pp. 195–196.
40. U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 11, A/8011, 1970, p. 8–10.
41. Extracts, Supplement No. 5, p. 196.
42. Ibid.
43. Extracts, Supplement No. 6, p. 222, and U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 11, A/46/11, 1991, p. 7, http://www.un.org/ga/search/view_doc.asp?symbol=A/46/11 (accessed May 31, 2012).
44. U.N. General Assembly, "Scale of Assessments," A/RES/48/223A-C.
45. U.N. General Assembly, "Scale of Assessments,"A/RES/52/215A-D.
46. The formula for calculating the low per capita income allowance was illustrated by the committee in 1994: "The national income of countries whose per capita national income is below the per capita income limit of $3,055 for the period 1985–1992 or $3,198 for the period 1986–1992 is reduced by the percentage resulting from calculating 85 per cent of the percentage difference between the country's per capita income and $3,055 and $3,198, respectively. For example, for a country with an average per capita income of $1,000 for the period 1985–1992, the average total national income, adjusted for debt relief, is reduced by 57.2 per cent ($3,055 – $1,000 =$2,055; $2,055 = 67.3 per cent of $3,055; 85 per cent of 67.3 per cent = 57.2 per cent)." U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 11, A/49/11, 1994, p. 5, http://www.un.org/ga/search/view_doc.asp?symbol=A/49/11(SUPP) (accessed May 31, 2012).
47. United Nations, *Report of the Preparatory Commission*, p. 108.

establishing a scale of assessments, the General Assembly established a minimum assessment of 0.04 percent, even though several founding member states' share of global gross national income was substantially below this level.[48] This decision was based on the principle that "the collective financial responsibility implies that all Member States pay at least a minimum percentage of the expenses of the organization."[49]

SINCE THE BEGINNING, THE COMMITTEE ON CONTRIBUTIONS WAS WARNED TO GUARD AGAINST MEMBER STATES SEEKING TO "UNDULY TO MINIMIZE THEIR CONTRIBUTIONS."

The minimum assessment was maintained for nearly 30 years, even as U.N. membership grew from 55 states to 138 states with the majority of those new member states being low-income, newly independent countries. Low-income countries began calling for a reduction in the floor during the debates on the 1969–1970 scale, arguing that "some countries assessed at the 'floor' rate might find the cost of participating in the United Nations a heavy burden." The committee rejected this proposal, arguing that the "minimum rate superseded the usual criteria for capacity to pay.... While the Committee recognized that small, newly independent countries were faced with many financial and economic problems, it believed that the grounds for maintaining the minimum rate continued to be valid."[50] Using their numbers, the low-income countries led an effort in the General Assembly to instruct the Committee on Contributions to reduce the "floor" from 0.04 percent to 0.02 percent for the 1974–1976 scale to "help [low-income countries] meet their priorities at home and to help them offset the inflationary trends continuously affecting their payments in dollar terms."[51] In 1976, the General Assembly instructed the committee to further reduce the minimum assessment to 0.01 percent, which was applied to the 1977–1979 scale, again on the basis that the existing floor "is inconsistent with the principle of capacity to pay" and should be lowered to allow them to "meet their priorities at home."[52] The General Assembly reduced the minimum assessment even further to 0.001 percent for the 1998–2000 scale[53] based on the committee's recommendation:

> [T]he current floor assessment rate of 0.01 per cent resulted in a serious departure from the principle of capacity to pay for a number of smaller Member States. In order to apportion their share of the expenses of the Organization among these Member States broadly according to their capacity to pay and to reduce the number of countries affected, the Committee recommended that, in future scales of assessments, all Member States whose share of adjusted national income is less than the current floor of 0.01 per cent should be assessed at their actual share of adjusted income, subject to a minimum assessment rate of 0.001 per cent.[54]

The minimum assessment remains at 0.001 percent for the regular budget scale of assessments. The reductions in assessments incurred from this adjustment are distributed on a proportional basis among the other member states.

A Maximum Assessment Rate for Least Developed Countries. The General Assembly implemented a "scheme of limits" adjustment in the mid-1980s to moderate fluctuations in assessment rates from one scale to another. Essentially, the

48. Honduras, Liberia, and Paraguay. Based on 1950 data presented in Angus Maddison, *Monitoring the World Economy 1820–1992* (Paris: Organization for Economic Cooperation and Development, 1995), pp. 161–192, 213–224, and 225–228.

49. This was reiterated in U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/31/95A-B, December 14, 1976, http://www.un.org/Depts/dhl/resguide/r31.htm (accessed May 31, 2012).

50. U.N. Office of Legal Affairs, "Repertory of Practice of United Nations Organs: Extracts Relating to Article 17(2) of the Charter of the United Nations," Supplement No. 4 (1966–1969), Vol. 1, p. 216, http://untreaty.un.org/cod/repertory/art17/english/rep_supp4_vol1-art17_2_e.pdf (accessed May 31, 2012).

51. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/2961(XXVII)[A-D], December 13, 1972, http://www.un.org/Depts/dhl/resguide/r27.htm (accessed June 1, 2012).

52. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/31/95[A-B], December 14, 1976, http://www.un.org/Depts/dhl/resguide/r31.htm (accessed June 1, 2012).

53. U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 11, A/53/11, 1998, p. 7, http://www.un.org/ga/search/view_doc.asp?symbol=A/53/11(SUPP) (accessed June 1, 2012).

54. U.N. General Assembly, "Report of the Committee on Contributions," A/50/11/Add.2, July 22, 1996, p. 13, http://www.un.org/ga/search/view_doc.asp?symbol=A/50/11/Add.2 (accessed June 1, 2012).

scheme established a maximum percentage that a member state's assessment could increase from one scale to the next and imposed a maximum contribution level of 0.01 percent of least developed countries. The maximum increase was a sliding scale that gave larger contributors larger adjustments than member states with lower assessments.[55] The General Assembly decided to phase out the scheme of limits in 1991, and the phaseout was completed by 2001.[56] However, the General Assembly retained the instruction that the assessment for the least developed countries should not exceed 0.01 percent.[57] The maximum assessment for least developed countries has remained at 0.01 percent even though the overall minimum assessment has since been lowered from 0.01 percent to 0.001 percent. The cost of the maximum assessment is distributed on a proportional basis among the member states except those affected by the minimum assessment.

Maximum Assessment. Since the first scale of assessments, the U.S. has objected to excessively relying on a single member state for the budget and argued for establishing a maximum assessment level and, subsequently, lowering that maximum. Other member states resisted these efforts because it would increase their assessments. Although the initial scale did not include an explicit ceiling, the U.S. succeeded in establishing the initial scale as a temporary arrangement and continued to press the issue. The General Assembly adopted a resolution in 1948 recognizing that "in normal times no one Member State should contribute more than one-third of the ordinary expenses of the United Nations for any one year" and that "when existing maladjustments in the present scale have been removed and a more permanent scale is proposed, as world economic conditions improve, the rate of contribution which shall be the ceiling for the highest assessment shall be fixed by the General Assembly."[58]

AS U.N. MEMBERSHIP INCREASED, ESPECIALLY AS MORE NEWLY INDEPENDENT DEVELOPING COUNTRIES WERE ADMITTED, MORE AND MORE MEMBER STATES BEGAN TO BENEFIT FROM THESE DISCOUNTS AND FOUGHT TO MAINTAIN AND EXPAND THEM.

In 1952, the General Assembly decided that "the assessment of the largest contributor shall not exceed one-third of total assessments against Members."[59] In 1957, the General Assembly agreed that "in principle, the maximum contribution of any one Member state to the ordinary expenses of the United Nations shall not exceed 30 per cent of the total" and outlined the steps to implement this ceiling beginning in 1958.[60] The General Assembly gradually reduced the maximum assessment from 33.33 percent in 1957 to 31.57 percent in the scale for the 1968–1970 scale. In 1972, the General Assembly decided that "[a]s a matter of principle, the maximum contribution of any one Member State to the ordinary expenses of the United Nations should not exceed 25 per cent of the total" and reduced the U.S. assessment to 25 percent for the 1974–1976 scale of assessments.[61] When U.N. costs rose sharply in the early 1990s, principally due to a surge in peacekeeping, the U.S. sought to reduce its regular budget assessment again to 22 percent, which would also lower its payments for peacekeeping under the ad hoc arrangement used. The General Assembly reduced the assessment ceiling to 22 percent beginning with the 2001–2003 scale where it remains.[62] Throughout the history of the U.N., the ceiling assessment rate has applied only to the U.S. The cost of the maximum assessment is distributed on a proportional basis among the member states except those affected by the minimum assessment or the maximum assessment for least developed countries.

The overarching effect of the changes to the methodology over the past six decades, with the exception

55. Extracts Relating to Article 17(2), Supplement 7, pp. 7, 10–11, and 27.
56. United Nations, "Briefing on Methodology for Preparing the Scale of Assessments," p. 33, http://www.un.org/ga/61/fifth/scale-method.pps (accessed June 8, 2012).
57. Extracts, Supplement No. 8, p. 9.
58. U.N. General Assembly, "Scale of Assessments," A/RES/238(III)(A).
59. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/665(VII), December 5, 1952, http://www.un.org/depts/dhl/resguide/r7.htm (accessed June 1, 2012).
60. U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 11, A/8011, 1970, p. 11.
61. U.N. General Assembly, "Scale of Assessments," A/RES/2961(XXVII)[A-D].

of the maximum assessment that applies only to the U.S., has been to substantially reduce the financial burden on an increasing portion of U.N. member states. As U.N. membership increased, especially as more newly independent developing countries were admitted, more and more member states began to benefit from these discounts and fought to maintain and expand them.

- The first scale of assessments applied the minimum contribution of 0.04 percent to seven of 55 member states (13 percent).[63]
- In the last scale to use the 0.04 percent minimum assessment, the minimum contribution applied to 63 of 126 member states (50 percent), after repeatedly expanding the low per capita income adjustment and admitting a number of developing countries to the membership.[64]
- The 0.02 percent floor for the 1974–1976 scale applied to 71 of 135 member states (53 percent).
- In the 1978–1979 scale, 66 member states were "assessed at the new 'floor' rate of 0.01 per cent and 17 at 0.02 per cent as opposed to a total of 81 Members which had been assessed at 0.02 per cent in the 1977 scale."[65] Thus, even after lowering the floor to 0.01 percent, more than 40 percent of the membership was assessed at the floor.
- The minimum assessment of 0.001 percent for the 1998–2000 scale applied to 30 of 185 member states in 1998.[66] An additional 55 member states were assessed above 0.001 percent, but at or below the old floor of 0.01 percent in that year.[67] In the 2010–2012 scale, 93 member states were assessed at or below the old floor of 0.01 percent, including 39 member states that were assessed at the minimum level of 0.001 percent.[68]

The Peacekeeping Assessment

A primary U.N. responsibility is to help to maintain international peace and security. Article 1 of the Charter lists this as first among the purposes of the United Nations:

> To maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace.

The Charter envisioned the Security Council as the principal vehicle for resolving threats to international peace and security, except for each state's "inherent right of individual or collective self-defence if an armed attack occurs against a member of the United Nations," which the Charter acknowledges in Article 51. Furthermore, the Security Council members were to act cooperatively to identify threats to international peace and security, urge the parties to resolve their differences peaceably under Chapter VI of the Charter, or act collectively to restore international peace and security through sanction or use of force under Chapter VII. If military force was deemed necessary, the member states were supposed to "undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements, armed forces, assistance, and facilities, including rights of passage, necessary for the purpose of maintaining international peace and security."[69]

The entire premise of collective security through the U.N. depends on agreement and cooperation in the Security Council, especially among

62. U.N. General Assembly, "Scale of Assessments," A/RES/55/5B-F.
63. U.N. General Assembly, "Scale of Contributions to the Budgets of the United Nations for the Financial Years 1946 and 1947 and to the Working Capital Fund," A/RES/69(I), December 14, 1946, http://www.un.org/depts/dhl/resguide/r1.htm (accessed June 1, 2012).
64. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/2654(XXV), December 4, 1970, http://www.un.org/Depts/dhl/resguide/r25.htm (accessed June 1, 2012).
65. Extracts Relating to Article 17(2), Supplement No. 5, p. 197.
66. U.N. General Assembly, "Scale of Assessments,"A/RES/52/215A-D.
67. The 1998–2000 scale was unusual in that it applied a different scale of assessment for each year.
68. U.N. General Assembly, "Scale of Assessments," A/RES/64/248.
69. Charter of the United Nations, art. 43.

the veto-wielding permanent members. This theoretical agreement has rarely materialized in reality, and collective action by the permanent members proved to be an unrealistic option for addressing many conflicts during the Cold War. Even in the rare instances when the Security Council agreed on resolutions to address emerging conflicts, the resulting actions fell far short of the Charter's lofty rhetoric.[70]

Instead, when the permanent members could agree, the U.N. began approving modest operations—later called peacekeeping operations—involving unarmed or lightly armed military observers voluntarily provided by the member states to fulfill limited missions, such as maintaining ceasefires and supporting efforts to resolve conflicts. The earliest operations—the U.N. Truce Supervision Organization (UNTSO) established in 1948 and the U.N. Military Observer Group in India and Pakistan (UNMOGIP) established in 1949—involved relatively small contingents and modest budgets. They were originally and continue to be funded through the regular budget under the normal scale of assessments.[71]

However, this practice quickly became a source of dispute. The first two major U.N. peacekeeping operations—the United Nations Emergency Force (UNEF I) established in 1956 to monitor the ceasefire between Israel and Egypt and the United Nations Operation in the Congo (ONUC) established in 1960 to oversee the withdrawal of Belgian forces and maintain order and to preserve the territorial integrity and independence of the Congo—were also initially funded through the regular budget.[72] However, political tensions over funding[73] led many member states, including permanent Security Council members France and the Soviet Union, to withhold their share of the expenses of these missions, precipitating the U.N.'s first major financial crisis. (See Text Box p. 13.)

To address the funding shortfall, the U.N. explored several options over several sessions in the early 1960s. First, it began applying voluntary contributions in support of UNEF I as credits to reduce up to 50 percent the assessments of U.N. member states, beginning with those governments assessed the minimum amount of 0.04 percent and moving up the scale until the credits were expended.[74] In its 16th session, in 1961, the General Assembly made its first move toward a separate scale of assessments for peacekeeping, asserting in the context of ONUC that peacekeeping expenses were extraordinary and different from the other U.N. expenses and that the "permanent members of the Security Council had a special responsibility for the maintenance of international peace and security and therefore for contributing to the financing of peace and security operations."[75] Under this justification, UNEF I and ONUC expenses were to be apportioned "in accordance with the scale of assessments for the regular budget" with significant reductions for developing countries receiving economic assistance offset by increased charges for the permanent members of the Security Council.[76]

70. A notable exception is the U.N. Security Council resolution authorizing a U.N. force to support South Korea following the 1950 invasion by North Korea. However, this resolution passed only because the Soviet Union was boycotting the U.N. and China was represented by the Chiang Kai-shek government in Taiwan rather than the Communist Mao Zedong government in Beijing.

71. The UNTSO mission costs an estimated $69.7 million, and the UNMOGIP mission costs an estimated $21.2 million. See United Nations, "Proposed Programme Budget for the Biennium 2012-2013*," A/66/6 (sect. 5), May 26, 2011.

72. United Nations, "First United Nations Emergency Force: UNEF I," http://www.un.org/en/peacekeeping/missions/past/unefi.htm (accessed June 1, 2012), and United Nations, "United Nations Operation in the Congo: ONUC," http://www.un.org/en/peacekeeping/missions/past/onuc.htm (accessed June 1, 2012).

73. In the case of UNEF I, the Security Council did not authorize the operation. Instead, the General Assembly controversially initiated it under the "Uniting for Peace" resolution. Many countries, particularly the Soviet Union, asserted that the General Assembly had inappropriately infringed upon the authority of the Security Council. ONUC engendered controversy through its aggressive military action and perceived partiality, rather than neutrality, in internal Congolese politics, which riled Cold War tensions and the increasingly confrontational politics of decolonization.

74. U.N. General Assembly, "United Nations Emergency Force," A/RES/1441(XIV), http://www.un.org/depts/dhl/resguide/r14.htm (accessed June 1, 2012), and "Cost Estimates for the Maintenance of the United Nations Emergency Force," A/RES/1575(XV), http://www.un.org/depts/dhl/resguide/r15.htm (accessed June 1, 2012).

75. On April 21, 1961, the General Assembly adopted Resolution 1619(XV), which recognized (1) that "the extraordinary expenses for the ONUC were essentially different in nature from the expenses ... under the regular budget" and "a different procedure was required for meeting them" and (2) that "the permanent members of the Security Council had a special responsibility for the maintenance of international peace and security and therefore for contributing to [peacekeeping]." U.N. Office of Legal Affairs, "Repertory of Practice of United Nations Organs: Extracts Relating to Article 17(2) of the Charter of the United Nations," Supplement No. 3 (1959–1966), Vol. 1, p. 378, http://untreaty.un.org/cod/repertory/art17/english/rep_supp3_vol1-art17_2_e.pdf (accessed June 1, 2012) (hereafter cited as "Extracts, Supplement 3").

The Soviet and French Precedents for Withholding

In the late 1950s and early 1960s, a number of U.N. member states opposed one or both of two major U.N. peacekeeping operations (UNEF I and ONUC). These operations were funded through special accounts additional to the regular budget, which led the Soviet Union, France, and a number of other member states to withhold their shares of the special accounts that funded those missions. As explained by a U.N. historian:

> Though both missions were initially popular with the membership, they became more controversial as Cold War politics began to intrude and the Congo mission ran into serious opposition on the ground .... [A] number of Member States, questioning whether paying for the operations should be compulsory, began to refuse to pay these assessments. Those withholding these dues payments included two of the permanent members, the Soviet Union and France, as well as scores of developing countries. By the end of 1961, about two-thirds of the Member States had failed to pay their allotted share for one or both missions, and the United Nations' deficit for the two operations topped $100 million.[77]

To illustrate the significance of the withholding, the total expenses for ONUC from 1960 through its end in 1964 were slightly over $400 million, versus $419 million for the U.N. regular budget during the same four-year period. The UNEF I expenses totaled $214 million from 1956 through 1967—about 22 percent of the total regular budget over that period.[78] To resolve the issue, the General Assembly sought an opinion from the International Court of Justice (ICJ), which concluded that the expenses for peacekeeping operations constituted "expenses of the Organization within the meaning of Article 17, paragraph 2, of the Charter of the United Nations."[79] Disregarding the ICJ opinion, the Soviet Union, France, and a other member states refused to pay their share of the expenses for the two missions.

The nonpayment issue became critical in 1964 when the Soviet Union's arrears were reaching the point where they could be denied their vote in the General Assembly.[80] The Soviets threatened to leave the U.N. if this occurred. To avoid this, the U.N. member states took the extraordinary step of holding an entire session in which nearly all resolutions were adopted on a "non-objection basis."[81] Eventually, the General Assembly agreed that "the question of the applicability of Article 19 of the Charter will not be raised with regard to the United Nations Emergency Force and the United Nations Operation in the Congo."[82] These arrears, which the U.N. Board of Auditors estimated at $38.7 million for UNEF I and $70.2 million for UNOC in 2011, continue to be counted as unpaid contributions, but are not included in calculations for Article 19.[83]

While accepting this arrangement, the U.S. Permanent Representative to the United Nations, Arthur Goldberg, stated:

> [I]f any Member can insist on making an exception to the principle of collective financial responsibility with respect to certain activities of the organization, *the United States reserves the same option to make exceptions to the principles of collective financial responsibility if, in our view, strong and compelling reasons exist for doing so*. There can be no double standard among the members of the organization.[84]

The U.S. has subsequently used the "Goldberg Reservation" to justify U.S. withholding from the U.N. for policy and political reasons. While not citing Goldberg, other U.N. member states have also refused to pay assessments for various reasons, including assessments for UNEF II and UNDOF in the 1970s.[85]

In December 1961, the acting Secretary-General announced that the organization faced "imminent bankruptcy" unless outstanding obligations were paid promptly.[86] In response, the General Assembly authorized the Secretary-General to issue up to $200 million in United Nations bonds at an interest rate of 2 percent to be repaid over 25 years through regular budget assessments.[87] The bonds offered some short-term financial relief, but engendered considerable criticism in Congress. Congress eventually authorized U.S. purchase of some of the U.N. bonds, but pegged the amount to the purchases made by other member states to avoid having the U.S. assume the bulk of the emergency financing.[88] However, some of the member states responsible for withholding their assessments for UNEF I and ONUC also withheld the "portion of their annual dues equivalent to the amount of the principle to be repaid each year, creating a long-term, if modest, deficit in U.N. accounts."[89]

In 1963, the General Assembly convened its fourth special session on the financial situation of the U.N. and adopted Resolution 1874 (S-IV), which established the following guidelines for funding peacekeeping operations:

a. The financing of peace-keeping operations is the collective responsibility of all States Members of the United Nations;

b. The economically more developed countries are in a position to make larger contributions than the economically less developed countries which have a relatively limited capacity to contribute towards peace-keeping operations involving heavy expenditures;

76. The reductions were an 80 percent reduction for member states whose normal assessment "ranged from 0.04 per cent to 0.25 per cent"; an 80 percent reduction for member states "receiving assistance during 1961 under [the Expanded Programme of Technical Assistance or EPTA] whose contributions to the regular budget ranged from 0.26 per cent to 1.25 per cent"; and a 50 percent reduction for member states "receiving assistance during 1961 under EPTA whose contributions to the regular budget were 1.26 per cent and above." U.N. General Assembly, "United Nations Emergency Force: Cost Estimates for the Maintenance of the Force," A/RES/1733(XVI), http://www.un.org/depts/dhl/resguide/r16.htm (accessed June 1, 2012), and Extracts, Supplement 3, pp. 375 and 379.

77. Luck, "Reforming the United Nations," p. 32.

78. Budget data from Brett D. Schaefer, "The History of the Bloated U.N. Budget: How the U.S. Can Rein It In," Heritage Foundation *Backgrounder* No. 2672, April 2, 2012, http://www.heritage.org/research/reports/2012/04/the-history-of-the-bloated-un-budget-how-the-us-can-rein-it-in; United Nations, "Republic of the Congo—ONUC: Facts and Figures," http://www.un.org/en/peacekeeping/missions/past/onucF.html (accessed June 1, 2012); and United Nations, "Middle East—UNEF I: Facts and Figures," http://www.un.org/en/peacekeeping/missions/past/unef1facts.html (accessed June 1, 2012).

79. International Court of Justice, "Certain Expenses of the United Nations (Article 17, Paragraph 2, of the Charter)," Advisory Opinion, July 20, 1962, http://www.icj-cij.org/docket/files/49/5259.pdf (accessed June 1, 2012).

80. Article 19 of the U.N. Charter states, "A Member of the United Nations which is in arrears in the payment of its financial contributions to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years. The General Assembly may, nevertheless, permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member."

81. Extracts, Supplement 3, pp. 379–381.

82. U.N. Office of Legal Affairs, "Repertory of Practice of United Nations Organs: Extracts Relating to Article 19 of the Charter of the United Nations," Supplement No. 3 (1959–1966), vol. 1, pp. 398–399, http://untreaty.un.org/cod/repertory/art19/english/rep_supp3_vol1-art19_e.pdf (accessed June 1, 2012).

83. United Nations, *Financial Report and Audited Financial Statements for the 12-Month Period from 1 July 2009 to 30 June 2010 and Report of the Board of Auditors*, Vol. 2, *United Nations Peacekeeping Operations*, A/65/5(VOL.II), 2011, pp. 243–244, http://www.un.org/ga/search/view_doc.asp?symbol=A/65/5(VOL.II) (accessed June 1, 2012).

84. As quoted in Jeane J. Kirkpatrick, *Legitimacy and Force: Political and Moral Dimensions* (New Brunswick, NJ: Transaction Publishers, 1988), p. 269 (emphasis added).

85. Extracts, Supplement 5, pp. 202–203.

86. Extracts, Supplement 3, p. 379.

87. U.N. General Assembly, "The United Nations Financial Position and Prospects," A/RES/1739(XVI), December 20, 1961, http://www.un.org/depts/dhl/resguide/r16.htm (accessed June 1, 2012).

88. Edward C. Luck, *Mixed Messages: American Politics and International Organization, 1919-1999* (Washington, DC. : Brookings Institution Press, 1999), pp. 230-232.

89. Ibid., 230. The U.S. has since adopted the position of refusing to pay interest on U.N. bonds or loans beginning in the late 1980s. A standard provision, with minor variations, included in relevant appropriations bills since at least the 101st Congress is: "*Provided further*, That none of the funds appropriated under this heading shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings."

c. Without prejudice to the principle of collective responsibility, every effort should be made to encourage voluntary contributions from Member States;

d. The permanent members of the Security Council have special responsibilities for the maintenance of peace and security which should be borne in mind in connexion with their contributions to the financing of peace and security operations;

e. Where circumstances warrant, the General Assembly should give special consideration to the situation of any Member States which are victims of, and those which are otherwise involved in, the events or actions leading to a peace-keeping operation.[90]

Using these guidelines, the U.N. sharply reduced the amount apportioned to "economically less developed countries" for UNEF I and ONUC. Over time, the U.N. used different models in an attempt to satisfy the member states. One model divided the overall expenses into a smaller amount that was apportioned among all member states according to the normal scale of assessment and a larger portion that was allocated to all countries (except 26 developed countries) at only 45 percent of their normal assessment.[91] In the following year, a similar arrangement was used except the assessment for "economically less developed countries" fell to 42.5 percent of their normal assessment. A slightly different approach was applied to UNEF I in the mid-1960s, allocating a small portion (about 5.4 percent) of the budget to "economically less developed countries" at the normal assessment rate, while the vast majority was "apportioned among the economically developed Member States according to the scale of assessments approved for 1965 plus—in order to meet reserve requirements—an additional 25 per cent of each contributor's apportionment."[92]

During this time, the U.N. explored additional funding models for other missions:

- The U.N. Yemen Observation Mission (UNYOM), which was established by the Security Council in 1963 to observe and certify the withdrawal of Saudi Arabian and Egyptian forces from Yemen, was funded entirely by Saudi and Egyptian contributions.[93]

- The Netherlands and Indonesia evenly divided the costs of the U.N. Temporary Executive Authority (UNTEA), which was established in 1962 to administer the territory of West New Guinea until it was transferred to Indonesia in 1963, and the U.N. Security Force in West New Guinea (UNSF), which was established to monitor the cease-fire and maintain law and order during the transition.[94]

- The costs of the U.N. Peacekeeping Force in Cyprus (UNFICYP), which was established in 1964 to restore law and order in the face of ongoing conflict between Greek and Turkish Cypriots and then monitor the cease-fire,[95] were met by the government of Cyprus, governments providing troop contingents, and voluntary contributions.[96] Starting in June 1993, Cyprus agreed to pay one-third of the costs and Greece agreed to pay $6.5 million annually, with

90. U.N. General Assembly, "General Principles to Serve as Guidelines for the Sharing of the Costs of Future Peace-Keeping Operations Involving Heavy Expenditures," Resolution 1874 (S-IV), June 27, 1963, http://www.un.org/ga/search/view_doc.asp?symbol=A/5441&Lang=E (accessed June 1, 2012).

91. U.N. General Assembly, "United Nations Emergency Force: Cost Estimates and Financing for the Period 1 July to 21 December, 1963," Resolution 1875 (S-IV), June 27, 1963, http://www.un.org/ga/search/view_doc.asp?symbol=A/5441&Lang=E (accessed June 1, 2012), and "United Nations Operation in the Congo: Cost Estimates and Financing for the Period 1 July to 21 December, 1963," Resolution 1876 (S-IV), June 27, 1963, http://www.un.org/ga/search/view_doc.asp?symbol=A/5441&Lang=E (accessed June 1, 2012).

92. Australia, Austria, Belgium, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, Denmark, Finland, France, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Romania, South Africa, Sweden, the Ukrainian Soviet Socialist Republic, the USSR, the United Kingdom, and the United States. See Extracts Relating to Article 17(2), Supplement 3, p. 376.

93. United Nations, "Yemen—UNYOM," http://www.un.org/en/peacekeeping/missions/past/unyombackgr.html (accessed June 1, 2012).

94. United Nations, "West New Guinea—UNSF," http://www.un.org/en/peacekeeping/missions/past/unsfbackgr.html (accessed June 1, 2012).

95. United Nations, "UNFICYP Background," http://www.un.org/en/peacekeeping/missions/unficyp/background.shtml (accessed June 1, 2012).

96. U.N. General Assembly, "Financing of the United Nations Peace-Keeping Force in Cyprus," A/47/1004, August 26, 1993, http://www.un.org/ga/search/view_doc.asp?symbol=A/47/1004 (accessed June 1, 2012).

> the balance paid through U.N. member state assessments.[97] This funding arrangement has been maintained.[98]

However, these experiments were subsequently dismissed in favor of the UNEF I and ONUC model and the funding mechanisms for UNTSO, UNMOGIP, and UNFICYP have continued as living fossils in the U.N. system—curiosities that, unjustifiably, are not regarded as viable alternatives.

A Formal Peacekeeping Scale of Assessment. Competing financial interests of the member states repeatedly undermined efforts to revise or standardize the peacekeeping funding process. For example, the Special Committee on Peacekeeping Operations established by the General Assembly in 1965 to formulate guidelines for peacekeeping operations, including financing, has failed to make any progress for decades.[99] Most member states have sought to shift most of the expenses onto the permanent members of the Security Council and a couple of dozen developed countries, thereby minimizing their own financial burdens. Aside from using the normal scale of assessments as a base, the Committee on Contributions was not consulted in decisions to apportion the peacekeeping expenses.[100]

With minor shifts in group composition and apportionment, the ad hoc funding structure established in 1973 by Resolution 3101 (XXVIII) became the default funding arrangement through the late 1990s:

> The special assessment scale for financing peacekeeping operations is based on the U.N. regular budget assessment scale, with peacekeeping rates determined by member countries' placement within four assessment groups. Group A countries are the five permanent members of the Security Council and pay at a rate of 100 percent of their regular budget assessment rate, plus their proportionate share of the reductions allowed for less developed countries; group B countries are specifically named industrialized countries and pay at a rate of 100 percent of their regular budget assessment rate; group C countries tend to be less developed and pay at a rate of 20 percent of their regular budget assessment rate; and group D countries are the specifically named poorest countries and pay at a rate of 10 percent of their regular budget assessment rate.[101]

For example, Resolution 3101 (XXVIII) apportioned 63.2 percent of the total expenses of UNEF II to the permanent members of the Security Council, 34.8 percent to the "economically developed Member States which are not permanent members of the Security Council," 2 percent to "economically less developed Member States," and 0.1 percent to a select few very poor member States.[102] In 1978, the U.N. Interim Force in Lebanon (UNIFIL) cost $54 million. The General Assembly[103] apportioned $33,075,000 to the permanent members of the Security Council; $19,764,000 to the "economically developed Member States which are not permanent members of the Security Council," $1,139,400 to the "economically less developed

97. U.N. General Assembly, "Financing of the United Nations Peace-Keeping Force in Cyprus," A/49/781, December 14, 1994, http://www.un.org/ga/search/view_doc.asp?symbol=A/49/781 (accessed June 1, 2012).
98. United Nations, "Budget Performance for the Period from 1 July 2010 to 30 June 2011 and Proposed Budget for the Period from 1 July 2012 to 30 June 2013 of the United Nations Peacekeeping Force in Cyprus," A/66/718/Add.9, April 12, 2012, http://www.un.org/ga/search/view_doc.asp?symbol=A/66/718/Add.9 (accessed June 1, 2012).
99. Extracts, Supplement 7, p. 26.
100. U.N. Office of Legal Affairs, "Repertory of Practice of United Nations Organs: Extracts Relating to Article 17(2) of the Charter of the United Nations," Supplement No. 9 (1995–1999), Vol. 2, p. 6, http://untreaty.un.org/cod/repertory/art17/english/rep_supp9_vol2-art17_2_e_advance.pdf (accessed June 1, 2012).
101. U.S. General Accounting Office, "United Nations," p. 2.
102. U.N. General Assembly, "Financing of the United Nations Emergency Force," A/RES/3101(XXVIII), December 11, 1973, http://www.un.org/Depts/dhl/resguide/r28.htm (accessed June 1, 2012).
103. U.N. General Assembly, Resolution S-8/2, April 21, 1978, as referenced in Extracts, Supplement 5, p. 203.

Member States,"[104] and $21,600 to "economically less developed Member States."[105]

While unhappy with this arrangement, the major contributors did not make it a significant issue as long as peacekeeping costs were relatively small. This changed when the number and cost of U.N. peacekeeping operations expanded rapidly in the early 1990s, ramping up from nine operations in 1989 to 19 in 1994. The U.N. major contributors saw huge increases in their U.N. contributions for peacekeeping and argued that the ad hoc arrangement was no longer appropriate given the extent of U.N. peacekeeping.

The U.S. was a key driver in the reform effort, enacting a law in 1994 that capped U.S. contributions to U.N. peacekeeping at 30.4 percent in fiscal year (FY) 1994 and FY 1995 and at 25 percent beginning in FY 1996.[106] Under this restriction, the U.S. began to accrue significant arrears (the difference between the U.S. mandated cap of 25 percent and the effective U.N. peacekeeping assessment of over 30 percent) and precipitated the second major financial crisis in U.N. history. In an ironic repeat of the 1960s, U.S. arrears had reached the point by the late 1990s that the U.S. could lose its vote in the General Assembly under Article 19.

Long, tense negotiation—backed by the U.S. agreeing to pay its arrears only in exchange for reduced assessments and other reforms under the Helms–Biden agreement of 1999[107]—resulted in the U.N. reducing the U.S. regular budget assessment to 22 percent starting in 2001. As part of the deal, the UN agreed to gradually lower the U.S. peacekeeping assessment to 25 percent.

As a byproduct of the Helms–Biden deal, the U.N. created a separate peacekeeping scale of assessment in Resolution 55/235 that for the first time explicitly established the methodology for the peacekeeping assessment based on "the scale of assessments for the regular budget of the United Nations, with an appropriate and transparent system of adjustments based on levels of Member States."[108]

Under this agreement, the U.N. grouped member states into 10 categories based on per capita gross national income. The permanent members of the Security Council were assigned to "level A" and are charged a premium above their regular budget assessment that offsets reductions for countries in all other categories except for developed countries in "level B," which are charged the same assessment for peacekeeping as in the regular budget. Least developed countries are assigned to "level J" and receive a 90 percent discount and pay only 10 percent of their regular budget assessment. (See Table 1.) The methodology has remained consistent since 2001, although the dollar thresholds for the levels are updated periodically.

This system is an improvement over the previous ad hoc arrangement. Most important, it is transparent and uncomplicated. However, it continues the extreme bias in financial apportionment initiated by the General Assembly in the 1960s and 1970s. For instance, under the 2010–2012 scale, 49 countries were listed in level J and received a 90 percent discount and another 82 were in "level I" and received a discount of 80 percent. Thus, more than two-thirds of U.N. member states receive an 80 percent or 90 percent discount for peacekeeping.[109] When combined with the extreme reductions already given to low-income countries under the regular budget scale, this discount leads to a large number of countries paying an absurdly low amount for U.N. peacekeeping.

The Politics of Capacity to Pay: Equal Votes, Unequal Financial Responsibilities

Since the U.N. was created, the member states have agreed that the "expenses of the United Nations should be apportioned broadly

104. All member states except Australia, Austria, Belgium, the Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, Denmark, Finland, the German Democratic Republic, Federal Republic of Germany, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Poland, South Africa, Sweden, and the Ukrainian Soviet Socialist Republic.

105. Afghanistan, Angola, Bangladesh, Benin, Bhutan, Botswana, Burundi, Cape Verde, Chad, Comoros, Democratic Yemen, Ethiopia, Grenada, Guinea, Guinea-Bissau, Haiti, Lao People's Democratic Republic, Lesotho, Malawi, Maldives, Mali, Mozambique, Nepal, Niger, Papua New Guinea, Rwanda, Samoa, São Tomé and Príncipe, Senegal, Seychelles, Somalia, Sudan, Surinam, Uganda, United Republic of Tanzania, Upper Volta, and Yemen.

106. Foreign Relations Authorization Act for Fiscal Years 1994 and 1995, Public Law 103236, § 404, and U.S. General Accounting Office, "United Nations," p. 1.

107. For an overview, see Vita Bite, "United Nations System Funding: Congressional Issues," Congressional Research Service *Issue Brief for Congress*, updated September 21, 2005, pp. 6–7, http://fpc.state.gov/documents/organization/55841.pdf (accessed June 1, 2012).

108. U.N. Committee on Contributions, "Peacekeeping Operations," http://www.un.org/en/ga/contributions/peacekeeping.shtml (accessed June 1, 2012).

109. U.N. General Assembly, "Implementation of General Assembly Resolutions 55/235 and 55/236: Report of the Secretary-General," A/64/220/Add.1, December 31, 2009, http://www.un.org/ga/search/view_doc.asp?symbol=A/64/220/Add.1 (accessed June 1, 2012).

TABLE 1

Current Methodology: U.N. Peacekeeping Scale of Assessments

Level	Criteria	Threshold for 2010–2012 (U.S. Dollars)	Discount from Regular Budget Assessment (Percent)
A	Permanent members of the Security Council	Not applicable	Premium*
B	All member states, except those covered below and level A	Not applicable	0
C	As listed in the annex to General Assembly Resolution 55/235	Not applicable	7.5
D	Member states with per capita GNI less than 2 times the average for all member states (except level A, C and J contributors)	Under $13,416	20
E	Member states with per capita GNI less than 1.8 times the average for all member states (except level A, C and J contributors)	Under $12,074	40
F	Member states with per capita GNI less than 1.6 times the average for all member states (except level A, C and J contributors)	Under $10,733	60
G	Member states with per capita GNI less than 1.4 times the average for all member states (except level A, C and J contributors)	Under $9,391	70
H	Member states with per capita GNI less than 1.2 times the average for all member states (except level A, C and J contributors)	Under $8,050	80 (or 70 on a voluntary basis)
I	Member states with per capita GNI less than the average for all member states (except level A, C and J contributors)	Under $6,708	80
J	Least developed countries (except level A and C contributors)	Not applicable	90

* Permanent members are charged an extra amount on top of their regular budget assessment that is used to subsidize the discount of Levels C–J.

Source: U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/64/248, February 5, 2010, http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/64/248 (accessed May 31, 2012).

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according to capacity to pay." As acknowledged at the time, capacity to pay is subjective, and it is "difficult to measure such capacity merely by statistical means, and impossible to arrive at any definite formula." However, a few principles can be discerned from the record of the time and the subsequent decisions of the member states.

The original U.N. member states included some very poor countries, such as Haiti. If the member states had wished, they could have excluded these countries from paying for any U.N. expenses. However, they rejected this option because "the collective financial responsibility implies that all Member States pay at least a minimum percentage of the expenses of the organization."[110]

Alternatively, in devising the original scale of assessments, the member states could have apportioned assessments so low as to be token or negligible for Haiti and other poor member states in 1946. They chose not to do so, instead insisting that even the poorest member state contribute a minimum of 0.04 percent of U.N. expenses. Indeed, the Committee on Contributions was specifically warned to "guard" against member states who might "desire unduly to minimize their contributions."

Yet the modifications in the scale of assessments over time have worked directly against that warning. For example, the current U.N. biennial budget is $5.15 billion compared with $19.39 million in 1946, which would be $228.79 million in today's dollars.[111] A country with a minimum assessment of 0.04 percent in 1946 would have been assessed the equivalent of $91,515 in 2012 dollars. A country with the minimum

110. Reiterated in U.N. General Assembly, "Scale of Assessments," A/RES/31/95 [A-B].

111. Schaefer, "The History of the Bloated U.N. Budget," and U.S. Department of Labor, Bureau of Labor Statistics, "CPI Inflation Calculator," http://data.bls.gov/cgi-bin/cpicalc.pl (accessed June 1, 2012).

The 10-Step Process of Determining the U.N. Scale of Assessments

1. The U.N. begins by assembling each member state's gross national income in its domestic currency for the base period. It then converts that data into U.S. dollars, either at market rates or using price-adjusted rates of exchange derived by the U.N. Statistics Division, which are not explained. These data are used to calculate the total GNI of all U.N. member states combined.
2. Countries below a predetermined per capita gross national income level ($11,455 for the 2010–2012 scale[112]) deduct 12.5 percent of their total external debt from the country's GNI. The reductions in GNI resulting from the debt burden adjustment are distributed among the U.N. member states with a per capita GNI above the qualifying threshold for the debt burden adjustment.
3. The total U.N. GNI is divided by the total population of all the member states to calculate an average U.N. per capita GNI for the six-year and three-year base periods.
4. The GNI data adjusted for debt are then used to calculate a debt-adjusted per capita GNI for every member state for the two base periods. (Every state either received a debt reduction or received an artificial increase in its GNI to adjust for the reduction of other countries.)
5. This debt-adjusted per capita GNI figure is used to determine the low per capita income adjustment, which is applied to every country that falls under the average of per capita GNI of all U.N. member states for the base periods.[113] Each country with a per capita income under this amount has its GNI reduced by up to 80 percent along a gradient determined by a formula.[114] This formula yields the percentage that the member state's debt-adjusted GNI is multiplied by to calculate the country's initial "assessable income" for the scale.
6. The reductions in GNI resulting from the low-income adjustment are distributed among the U.N. member states with a per capita debt-adjusted GNI above the qualifying thresholds for the low-income adjustment. These adjusted GNI figures were then divided by the total U.N. GNI figure to determine each member state's modified assessment.
7. Member states with a modified assessment below the minimum assessment of 0.001 percent have their assessments raised to the minimum level. The GNI data of the other member states are reduced proportionally, except for the ceiling country.
8. If any "least developed country" has a modified assessment above 0.01 percent, its assessment is reduced to that level. The GNI increases for other member states required to compensate for this adjustment are distributed proportionately, except for the ceiling country.
9. The maximum assessment, or ceiling, of 22 percent is applied to any member states assessed more than this amount. The reduction in GNI resulting from the maximum assessment is distributed among the other member states proportionately, excluding those countries assessed at the 0.001 percent minimum assessment or the 0.01 percent maximum assessment for least developed countries.
10. The final GNI for each country is then divided by the total GNI of all U.N. member states to determine each member state's final assessment. The assessments are averaged over the two base periods (the most recent six years and the most recent three years) and averaged together to yield the final assessment for the scale.

112. U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 11, A/65/11, June 7–25, 2010, http://www.un.org/ga/search/view_doc.asp?symbol=A/65/11(SUPP) (accessed June 8, 2012).

113. Using the latest data available from the World Bank, per capita GNI in current dollars for the two base periods (the average for 2008–2010 is $8,803 and the average for 2005–2010 is $8,195) is $8,499. World Bank, *World Development Indicators*, July 1, 2011, http://data.worldbank.org/indicator (accessed June 8, 2012).

114. The formula is (1 – (Country per capita GNI adjusted for debt/average GNI per capita for all U.N. Member states)) * 0.8. The example used by the committee states, "If the average per capita GNI is $5,000 and a Member State's per capita debt-adjusted GNI is $2,000, then the low per capita income adjustment will be [1 – (2000/5000)] x 0.80 = 48 per cent, that is, 80 per cent (the gradient) of 60 per cent [1 – (2000/5000)], which is the percentage by which the Member State's debt-adjusted per capita GNI is below the threshold." U.N. General Assembly, "Report of the Committee on Contributions," Supplement No. 11, A/65/11.

assessment of 0.001 percent in 2012 is assessed $25,762 in 2012 under the current budget. *Thus, in real terms, more than 60 U.N. member states are paying far less—in both percent and dollar terms—than they would have in 1946 under the minimum assessment (adjusted to 2012 dollars) even though the U.N. budget has grown enormously over the past six decades.*

This downward pressure is applied in several ways. Broadly stated, under the current methodology, a low-income to middle-income country will receive a significant deduction in its assessment relative to its share of the global economy. The method for calculating this deduction is tremendously (and unnecessarily) complex and, in places, troublingly vulnerable to manipulation.

Although the Committee on Contributions provides an explanation of its methodology for calculating the scale (See the Text Box.), it does not provide explicit examples of how it is applied to all the member states. Nor does it share the raw data used in its calculations. This is more problematic than it may first appear. First, without knowing the sources of specific data used, it is impossible to accurately replicate, which prevents third parties, likely even the member states, from verifying the calculations. For instance, efforts to replicate the assessments for Albania and Belize in researching this paper were successful, while those for Bulgaria, China, and Vietnam were not. Second, the U.N. scale admittedly uses internally devised, ad hoc exchange rates for an unspecified number of member states. This, along with base data of vague origin, can radically alter the ratios used as the basis for determining assessments. Taken together, this lack of transparency raises questions of whether the calculations are more subject to politically motivated tweaking than is generally assumed.

THE CURRENT METHODOLOGY IS ... THIS PRACTICE IS MORE THAN JUST A GROSS DISTORTION IN THE COLLECTIVE FINANCIAL RESPONSIBILITY OF THE MEMBER STATES. IT ALSO UNDERMINES EFFORTS TO IMPROVE EFFECTIVENESS AND ACCOUNTABILITY.

However, even assuming perfect impartiality, the structure and elements of the scale dramatically shifts the burden among the U.N. member states. As Table 2 illustrates, both China and Russia underpay based on nominal and PPP-adjusted data. The United States underpays based on nominal data, but overpays based on PPP-adjusted numbers. France and the U.K. overpay based on both numbers. Based on either number, Japan grossly overpays. The 128 lowest contributors are underassessed. Yet the real beneficiaries are the wealthier developing countries (e.g., Brazil, China, India, Indonesia, and Iran), which preserve their underassessment through their influence in key General Assembly political groupings, such as the G-77, Non-Aligned Movement (NAM), and the Organization of Islamic Cooperation (OIC). Unsurprisingly, the G-77 led by China has historically been the most insistent on maintaining the current methodology.[115]

This practice is more than just a gross distortion in the collective financial responsibility of the member states. It also undermines efforts to improve effectiveness and accountability. The General Assembly, which establishes budget and policy priorities for the U.N., operates on an egalitarian one-country, one-vote basis. In the majority of cases, General Assembly decisions are adopted by consensus. When votes are held, most decisions are made by a majority of member states. However, decisions on important matters, such as the budget, require approval by a two-thirds majority, even if those member states contribute little to the U.N. budget.[116] The one-country, one-vote structure of the General Assembly creates a free-rider problem in which countries that pay little to the U.N. drive its financial decisions.

- The members of the Geneva Group,[117] the 16 large contributors to the U.N. budget, are assessed 79.933 percent of the U.N. regular

115. Lydia Swart, "Finding Agreement on Member States' Assessments Complicates Budget Approval," Center for UN Reform Education, November 10, 2009, http://www.centerforunreform.org/node/410 (accessed June 1, 2012).

116. The accompanying examples, tables, and graphics are based on the 2010–2012 scale of assessment, which apportions the expenses among 192 member states. This two-thirds requirement increases to 129 of 193 member states with the addition of South Sudan to the U.N. membership last year. Charter of the United Nations, art. 18.2.

117. The Geneva Group (co-chaired by the U.S. and the U.K.) consists of 16 U.N. member states that contribute at least 1 percent to the budgets of the U.N. and its largest affiliated agencies and share similar concerns about administrative and financial matters. Current members are Australia, Belgium, Canada, France, Germany, Italy, Japan, Mexico, the Netherlands, the Republic of Korea, the Russian Federation, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

TABLE 2

U.N. Scale of Assessments Compared to Share of the Global Economy

	Percent of U.N. Regular Budget, 2012	Percent of U.N. Peacekeeping Budget, 2012	Percent of World GNI in 2010	
			Purchasing Power Parity	Current U.S. Dollars
Permanent Members of the Security Council				
United States	22.000	27.1391	19.193	23.246
United Kingdom	6.604	8.1467	2.971	3.623
France	6.123	7.5533	2.930	4.140
China	3.189	3.9339	13.405	9.462
Russian Federation	1.602	1.9762	3.567	2.273
Other Notable Contributors				
Japan	12.530	12.530	5.789	8.897
Germany	8.018	8.018	4.066	5.307
Italy	4.999	4.999	2.469	3.215
Canada	3.207	3.207	1.714	2.461
Brazil	1.611	0.3222	2.813	3.255
India	0.534	0.1068	5.455	2.720
South Africa	0.385	0.077	0.679	0.566
Israel	0.384	0.384	0.276	0.334
Indonesia	0.238	0.0476	1.322	1.091
Iran	0.233	0.0466	1.168	0.569
Notable Groupings				
Geneva Group*	79.933	86.5345	52.231	63.790
Lowest 128 contributors (based on regular budget assessment)	1.271	0.4678	5.011	3.120
G-77 (131)	11.379	6.8087	37.438	26.756
NAM (Non-Aligned Movement) (117)	6.231	2.4832	20.369	13.386
OIC (Organization of Islamic Cooperation) (56)	4.056	1.7767	10.515	7.426

Notes:
G-77, NAM, and OIC numbers do not include Palestine, which is not a U.N. member state. The data for the lowest 128 contributors do not include South Sudan. Economic data is unavailable or incomplete for Andorra, Australia, Bahrain, Bahamas, Barbados, Brunei, Burma, Cuba, Democratic Peoples Republic of Korea, Djibouti, Haiti, Iran, Kuwait, Liechtenstein, Libya, Marshall Islands, Monaco, Nauru, Nepal, New Zealand, Oman, Qatar, Saudi Arabia, San Marino, Somalia, Suriname, Tuvalu, United Arab Emirates, Yemen, and Zimbabwe. Economic data are most recent available. When 2010 figures are not available, data from 2008 or 2009 are used. Totals do not include South Sudan.

* The Geneva Group (co-chaired by the U.S. and the U.K.) are 16 U.N. member states that contribute at least one percent to the budgets of the U.N. and its largest affiliated agencies and share similar concerns with administrative and financial matters. Current members are Australia, Belgium, Canada, France, Germany, Italy, Japan, Mexico, the Netherlands, the Republic of Korea, the Russian Federation, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

Sources:
U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/64/248, February 5, 2010; U.N. General Assembly, "Implementation of General Assembly Resolutions 55/235 and 55/236: Report of the Secretary-General," A/Res/64/220, September 23, 2009; The Group of 77, "The Member States of the Group of 77," http://www.g77.org/doc/members.html (accessed June 1, 2012); Egypt Ministry of Foreign Affairs, "Summit of the Non-Aligned Movement: Members, Observers and Guests," 2009, http://www.namegypt.org/en/AboutName/MembersObserversAndGuests/Pages/default.aspx (accessed June 1, 2012); and Organization of Islamic Cooperation, "Member States," http://www.oic-oci.org/member_states.asp (accessed June 1, 2012).

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budget and 86.5345 percent of the U.N. peacekeeping budget.[118]

- The United States has been the largest financial supporter since the U.N. was established in 1945 and currently is assessed 22 percent of the U.N. regular budget and 27.1391 percent of U.N. peacekeeping budget.

- The combined assessment of the 128 least-assessed countries under the regular budget—two-thirds of the 192 member states assessed under the 2010–2012 scale—for 2012 is a paltry 1.271 percent of the regular budget and a minuscule 0.4678 percent of the peacekeeping budget, even though this group can pass the budget by itself according to U.N. rules.[119]

- The 131 U.N. member states that are members of the Group of 77 (G-77)[120] pay a combined 11.379 percent of the regular budget and 6.8087 percent of the peacekeeping budget.

- The 117 U.N. member states in the NAM[121] pay a combined 6.231 percent of the regular budget and 2.4832 percent of the peacekeeping budget.

- The 56 U.N. member states that are members of the OIC[122] are assessed just under 4.056 percent of the regular budget and 1.7767 percent of the peacekeeping budget.

As shown in Table 2, U.N. costs have been shifted dramatically to a relatively small group of developed countries, which massively subsidize the great majority of the member states. The failure to use PPP-adjusted data has exacerbated this unbalanced distribution.

Although stark, these percentages do not fully convey the disparities. President Barack Obama's FY 2013 budget request includes $568 million to pay for the U.N. regular budget and nearly $2.1 billion for the U.N. peacekeeping budget. (The estimated expenditure for peacekeeping in FY 2012 was more than $1.8 billion).[123] By comparison, the nearly 40 countries assessed the lowest rate of 0.001 percent of the regular budget in 2012 will be assessed $25,762 per year based on the 2012–2013 U.N. regular budget of $5.152 billion.[124] The 26 countries that are assessed the lowest rate of 0.0001 percent of the peacekeeping budget will be assessed $7,842 each for the $7.842 billion peacekeeping budget from July 2011 to June 2012.[125]

As one U.N. expert once said, "Surely it should not cost a nation less to belong to the UN than an individual to go to college or to buy a car."[126] Yet this is exactly the situation for more than one-fifth of the U.N. membership. Twenty-six countries in the world's most august body will pay less than $34,000 in assessed contributions to the U.N. in 2012. Some 55 countries—more than a quarter of the membership—pay about $100,000 or less. Over half of the membership pays less than $600,000 per year. Many nations likely pay more in rent for their U.N. offices

118. U.N. General Assembly, "Implementation of General Assembly Resolutions 55/235 and 55/236," A/61/139/Add.1, December 27, 2006, http://www.un.org/ga/search/view_doc.asp?symbol=A/61/139/Add.1 (accessed June 1, 2012).

119. Ibid.

120. The Group of 77 (G-77) was established in 1964 by 77 developing countries. The current membership figures do not include Palestine, which is not a U.N. member state, even though it is a member of the G-77. For a list of G-77 members, see The Group of 77, "The Member States of the Group of 77," http://www.g77.org/doc/members.html (accessed June 1, 2012).

121. The Non-Aligned Movement (NAM) was founded in 1961. These figures do not include Palestine, which is not a U.N. member state, even though it is a member of the NAM. For a list of NAM members, see Egypt Ministry of Foreign Affairs, "Summit of the Non-Aligned Movement: Members, Observers and Guests," 2009, http://www.namegypt.org/en/AboutName/MembersObserversAndGuests/Pages/default.aspx (accessed June 1, 2012).

122. The Organization of Islamic Cooperation, formerly called the Organization of the Islamic Conference, was established in 1969. These figures do not include Palestine, which is not a U.N. member state, even though it is a member of the OIC. For an OIC member listing, see Organization of Islamic Cooperation, "Member States," http://www.oic-oci.org/member_states.asp (accessed June 1, 2012).

123. U.S. Department of State, *Congressional Budget Justification, Fiscal Year 2013*, Vol. 1, Department of State Operations, pp. 581 and 711, http://www.state.gov/documents/organization/181061.pdf (accessed June 1, 2012).

124. U.N. Department of Public Information, "Fifth Committee, Concluding Session, Recommends $5.15 Billion Budget for 2012–2013, Including Financing for 29 Special Political Missions," December 24, 2011, http://www.un.org/News/Press/docs/2011/gaab4021.doc.htm (accessed June 1, 2012).

125. United Nations, "Approved Resources for Peacekeeping Operations for the Period from 1 July 2011 to 30 June 2012," A/C.5/66/14, January 13, 2012, http://www.un.org/ga/search/view_doc.asp?symbol=A/C.5/66/14 (accessed June 1, 2012); and U.N. Department of Management, "Peacekeeping Budgets," February 2012, http://www.un.org/en/hq/dm/pdfs/oppba/Peacekeeping%20budget.pdf (accessed June 1, 2012).

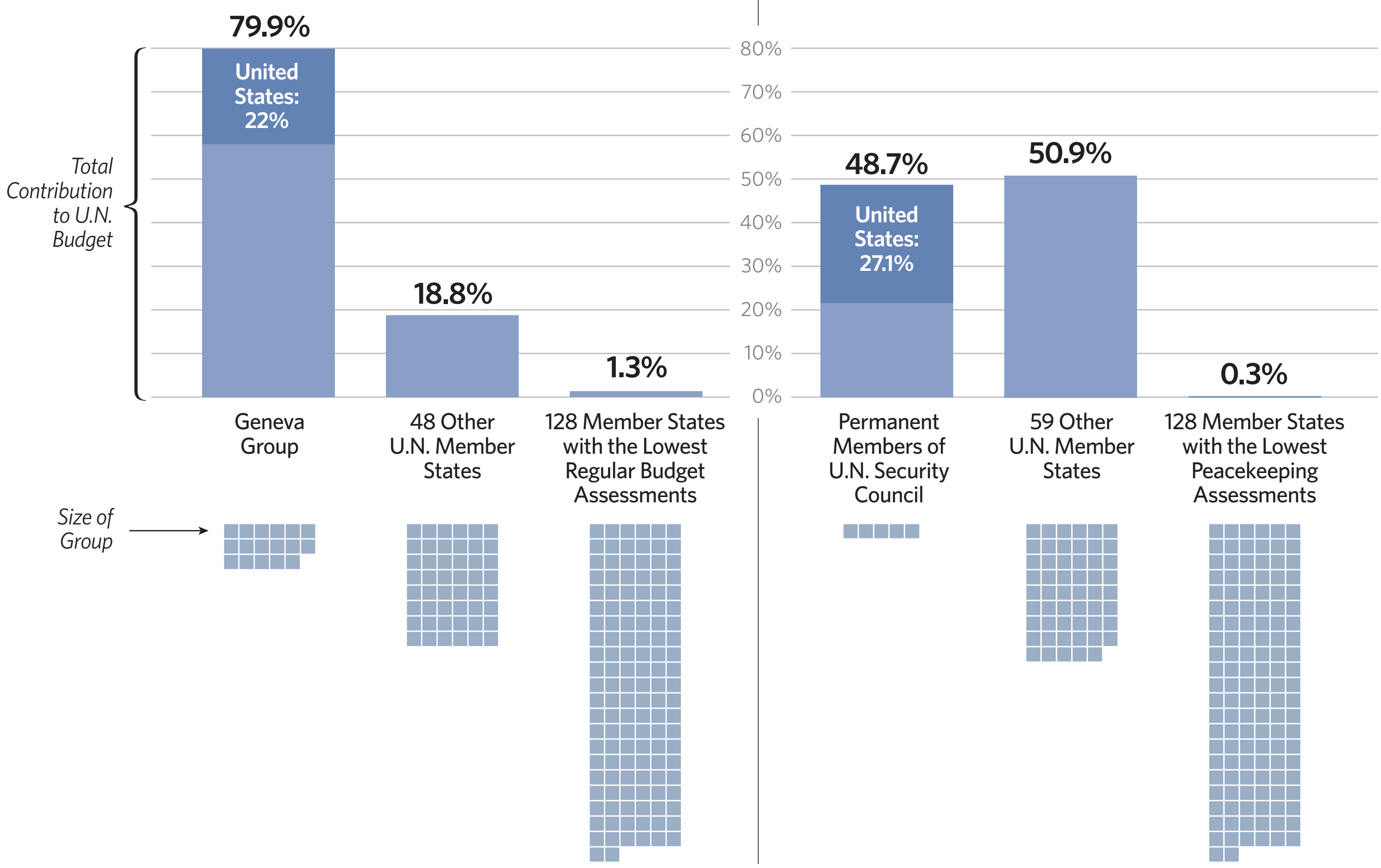
126. Luck, *Mixed Messages*, p. 253.

CHART 1

U.S. Shoulders Disproportionate Burden of U.N. Peacekeeping and Regular Budgets

U.N. REGULAR BUDGET. *The regular budget must be passed by a two-thirds majority vote in the General Assembly. In theory, 128 countries (129 with the addition of South Sudan) paying 1.27 percent of the budget could approve a budget over the objection of countries paying nearly 99 percent of the budget. Under the current scale of assessment, the least-assessed country pays less than $26,000 a year for the U.N. regular budget, while the U.S. pays over $560 million. This divorce between financial obligations and voting power makes it very difficult to constrain budget growth or advance reform without the threat of financial withholding.*

U.N. PEACEKEEPING BUDGET. *The U.N. peacekeeping assessments are based on those for the regular budget. However, most states receive a discount (up to 90 percent) that is paid by charging the permanent Security Council members a larger amount. This creates an even greater distortion between those who pay the bills and those member states who decide the budget. The U.S. alone pays 80 times more than the 128 countries assessed the least for the peacekeeping budget. Under the current scale of assessment, the least-assessed country pays less than $8,000 a year for peacekeeping, while the U.S. pays over $2 billion.*



Notes: Figures do not include South Sudan. The Geneva Group, which is co-chaired by the U.S. and the U.K., are 16 U.N. member states that contribute at least 1 percent to the budgets of the U.N. and its largest affiliated agencies and share similar concerns administrative and financial matters.

Source: U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of the United Nations," A/RES/64/248, February 5, 2010; U.N. General Assembly, "Implementation of General Assembly Resolutions 55/235 and 55/236: Report of the Secretary-General," A/Res/64/220, September 23, 2009, http://www.un.org/ga/search/view_doc.asp?symbol=A/64/220 (accessed June 11, 2012).

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than they pay toward the expenses of the U.N. itself.

The divorce between obligations and decision making is perhaps the greatest cause of the decades-long intransigence on U.N. reform. The U.S. will pay about $2.5 billion in 2012 for the U.N. regular and peacekeeping budgets—more than the combined contributions of more than 180 U.N. member states. Yet the countries that contribute relatively little to the U.N. can approve the budget over the objections of the U.S. and other major contributors. The Geneva Group members are expected to pay even if the budget is approved over their objections. In fact, in 2006 and 2007, the U.N. member states broke a 20-year agreement to adopt the U.N. budgetary decisions only by consensus, and the 2008–2009 regular budget was also adopted over U.S. objections.[127]

Ultimately, the principal outcome is to facilitate budget increases and slow or block U.N. reforms intended to use U.N. resources more efficiently and as intended. Under the current scale, the U.N. regular budget could increase by $1 billion, but the 128 least-assessed countries would pay only $6.35 million combined, and the countries assessed at 0.001 percent would pay only an additional $5,000 per year.

This helps to explain why so many member states are blasé about increases in the U.N. budget. The financial impact on them is miniscule, not even enough to make it worth checking in with their governments. It also undermines incentives for the member states to fulfill their oversight role. U.N. mandates, even those that are outdated or duplicative, need someone to fulfill them. Eliminating activities could abolish U.N. posts that are currently filled by a citizen of these minimal contributors or a country in their regional or political grouping. Supporting the status quo or a budget increase gains them allies from the countries that do not want their citizens to lose a plum U.N. job. As a result, reform stalls.[128]

This is a key reason why the Committee on Contributions was cautioned against allowing states to unreasonably minimize their contributions: The "sovereign equality of nations" should apply not only to privileges, but also to responsibilities. A member state should take budgetary matters seriously, and this requires bearing a reasonable portion of the financial burden. Unless the U.N. can create a stronger relationship between budget decisions and financial contributions, reform will remain elusive.

Steps to Overhaul the Scale of Assessments

The U.N. scale of assessments has two primary problems: (1) overcomplexity and opacity and (2) an extreme imbalance caused by an overemphasis on "capacity to pay" ungrounded in a real-world appreciation of what the percentages mean in dollars. To address the overcomplexity and opacity, the U.S. should:

- **Demand more transparency.** The methodology for calculating the scale of assessments is opaque. Although the criteria and elements of the methodology are explained, albeit made confusing by their complexity, the underlying formulas are not easy to find and the United Nations does not provide relevant specifics on data (such as which countries use market exchange rates versus price-adjusted rates) or the step-by-step assessment calculations on the committee's website. Nor does the committee release its raw data used to determine the scale of assessments. The U.S.

127. The inability of the U.S. to restrain U.N. budget growth in the late 1970s and early 1980s led a Democrat-controlled Congress to approve the Kassebaum–Solomon Amendment to the Foreign Relations Authorization Act for fiscal years 1986 and 1987, which withheld 20 percent of U.S.-assessed contributions to the U.N. budget until weighted voting on budgetary matters was adopted. Weighted voting was not adopted, but the U.N. member states did agree in 1986 to the consensus-based budgeting process. Under the consensus-based budgetary process, the U.S. was able to prevent excessive growth in the U.N. budget in the 1990s. The U.N. member states violated this agreement in two votes in 2006 and 2007, including adopting the 2008–2009 U.N. regular budget against U.S. objections. Because Kassebaum-Solomon had been rescinded in the early 1990s, the UN faced no financial consequences for these actions. See Brett Schaefer, "Resistance by the G-77 Means the U.S. Must Use Financial Leverage to Advance Reform at the UN," Heritage Foundation *WebMemo* No. 1057, May 3, 2006, http://www.heritage.org/research/reports/2006/05/resistance-by-the-g-77-means-the-us-must-use-financial-leverage-to-advance-reform-at-the-un, and "Congress Should Withhold Funding for Spendthrift U.N.," Heritage Foundation *WebMemo* No. 1786, January 29, 2008, http://www.heritage.org/research/reports/2008/01/congress-should-withhold-funding-for-spendthrift-un.

128. The least-assessed countries are generally members of groups such as the G-77, NAM, and OIC and use their membership to gain support from the entire group to influence or block efforts to reduce waste, corruption, and inefficiency. For a more in-depth discussion, see Brett D. Schaefer, "Who Leads the United Nations?" Heritage Foundation *Lecture* No. 1054, December 4, 2007, http://www.heritage.org/Research/InternationalOrganizations/hl1054.cfm.

should demand that the committee explicitly and prominently make available its formula, the specific data used, and the resulting calculations for establishing the respective assessment for each member state.

- **Eliminate criteria and restrictions that apply to only a few cases or that complicate the formula without commensurate impact on the scale.** The U.S. should call for the U.N. to eliminate the maximum assessment rate for least developed countries and the debt-burden adjustment. Under the current scale of assessments only seven countries are assessed at the 0.01 percent level. Of these, only Angola, Bangladesh, Sudan, and Yemen are considered least developed countries under the U.N.'s peacekeeping scale. It makes little sense to retain this arbitrary rule for such a small number of states, particularly those with GNI figures that are already artificially reduced under the low-income adjustment. They should be able to shoulder what is a rather minimal share of the budget, especially after the low-income adjustment. The debt-burden adjustment is arbitrary and duplicative in that it is an adjustment to reflect the impact of debt on low-income countries that already receive a substantial discount in their assessment. Moreover, it is less relevant than it used to be. The countries that it is intended to assist—low-income countries—typically can borrow at highly concessional interest rates from international financial institutions or donor nations. Moreover, to reduce the debt burden on low-income countries, donors frequently allow old debt to be financed with new debt, forgive debt, and provide assistance through grants rather than loans. As a result, the debt adjustment is far less relevant than it used to be for most low-income countries.

- **Adopt a less complicated formula for reducing the assessments for low-income countries.** The current formula is far more complicated than necessary. By contrast, the peacekeeping methodology of assigning reductions based on income levels is much clearer. The current methodology should be revised and simplified to better enable member states and others to understand how various assessments are calculated and corroborate the calculations.

- **End the outdated practice of calculating data in the U.N.** When the U.N. was created, the availability of economic data was extremely limited. At the time, the U.N. often needed to gather, analyze, and calculate economic data and other information necessary for determining the scale of assessments. This is no longer the case. The World Bank and the IMF now provide vetted, updated, and consistent data on all U.N. member states.

To address the disparity between contributions and voting power, the U.S. should try to flatten the system of assessments and link contributions to budgetary decision making. If assessments were spread equally among the member states, each would be expected to pay slightly less than 0.52 percent, or about $13.3 million per year under the 2012–2013 U.N. regular budget and $40.6 million for peacekeeping under the current budgets. Since the beginning, the U.N. member states have rejected equal assessments, but have insisted that all member states pay a minimum amount. Over the years, the debate has centered on the respective percentages of global GNI. This myopic focus has led to a perverse situation in which many member states argue that they pay their "fair" percentage, but in reality pay only token amounts in dollar terms. To try to restore perspective to this debate, the U.S. should seek to:

- **Grant large contributors more influence over the U.N. budget process.** For the U.N. to become a more effective, efficient, and accountable body, budgetary decision making must be linked more closely to financial responsibilities. Under the U.N. Charter, the budgetary decisions require approval by two-thirds of the member states. Amending the Charter to include additional requirements is unrealistic, but the General Assembly could adopt a rule stating that the budget must be approved by states contributing at least two-thirds of the regular budget in addition to the two-thirds of member states as required in the Charter. Such a system would enhance the influence of large contributors in budgetary matters and give countries that underpay an incentive to contribute more.[129]

129. To avoid reversal by the U.N., Congress would likely need to pass legislation like the Kassebaum–Solomon amendment that imposed financial consequences for breaking or reversing the consensus-based budget rule.

- **Raise the minimum assessment for the regular budget.** Raising the minimum assessment for the regular budget to 0.01 percent—the minimum assessment until 1998—would increase minimum annual dues to about $258,000 per year under the 2012–2013 regular budget. The notion that even the smallest sovereign nation cannot afford to pay such a small amount for the privilege of membership in the world's most prominent multilateral organization is ludicrous. Moreover, if true, it raises questions about whether the nation merits membership in the first place. Even though this increase would be modest, it is a reasonable first step, and it should help to instill greater appreciation of the financial consequences of budgetary increases in the smallest contributors and give them reason to scrutinize the U.N. budget before approving it. This contribution floor would also enable reductions in contributions by larger donors that are overassessed and level out differences in financial responsibilities.

- **Raise the minimum assessment for the peacekeeping budget and establish a maximum assessment of 25 percent.** Raising the minimum assessment for peacekeeping to 0.001 percent would increase minimum annual dues to about $78,000 for the current peacekeeping budget. Again, this is not an onerous assessment, but a larger financial obligation on the least-assessed countries would ideally lead them to be more prudent in budgetary decisions and diligent in fulfilling their oversight responsibilities. The U.N. has never fulfilled its promise to lower the U.S. peacekeeping assessment to 25 percent as required under U.S. law, and the U.S. should insist that the U.N. honor its side of the agreement that led the U.S. to repay its arrears under the Helms–Biden agreement.[130] Not only is this an issue of principle—the U.S. fulfilled its end of the bargain—but it would help to address the disparity in member contributions that, as observed by Senator Vandenberg in 1945, undermines "the sovereign equality of nations."[131]

- **Establish a minimum assessment for permanent Security Council members and charge a premium for elected Security Council members.** The General Assembly has asserted for decades that "permanent members of the Security Council had a special responsibility for the maintenance of international peace and security and therefore for contributing to the financing of peace and security operations." This assertion has been applied as a premium added to the regular budget assessments of the permanent members, which is used to subsidize the peacekeeping assessments of low-income member states. However, the discrepancy among the assessments of the permanent members is stark with the U.S. assessment exceeding the combined assessments of the other four permanent members. This disparity should be reduced by creating a minimum peacekeeping assessment of 5 percent for permanent members, which would increase the assessments for China and Russia. Moreover, while the permanent members can prevent Security Council action through a veto, such a negative action rarely affects the financial obligations for the other members. The permanent members alone cannot pass a resolution in the Security Council, which generally do have financial implications. Thus, if any members of the Security Council bear a special responsibility, then *all* members of the Security Council, not just the permanent members, bear a special responsibility. As such, the U.S. should propose charging all Security Council member states a premium. The U.S. should propose a minimum assessment of 1 percent for elected members of the Security Council for the entire two-year term. This broader premium for all Security Council member states, including the 5 percent and 1 percent minimums, should be used to offset the subsidy for other member states and the peacekeeping cap.

- **Use GNI adjusted for purchasing power parity as the basis for the scale of assessments.** This would more accurately reflect incomes across countries, particularly those in China and India, which are underassessed under the current methodology.

Another goal should be to reduce the size of the regular budget by shifting tertiary activities to

130. Brett D. Schaefer, "Keep the Cap on U.S. Contributions to U.N. Peacekeeping," Heritage Foundation *Backgrounder* No. 2067, September 6, 2007, http://www.heritage.org/Research/InternationalOrganizations/bg2067.cfm (accessed June 1, 2012).

131. Singer, *Financing International Organization*, pp. 125–126.

voluntary funding. Indeed, eliminating outdated or duplicative mandates and focusing the U.N. regular budget on supporting the activities of the main U.N. bodies could reduce the U.N. regular budget by 20 percent to 30 percent.[132] This would relieve the mandatory financial burden for all U.N. member states and impose a stronger market incentive for U.N. activities to meet their goals to justify continued funding. Similarly, the U.S. should suggest reviving the older models for voluntarily financing peacekeeping missions, especially older missions that persevere mostly for political reasons rather than tangible progress in resolving the situations that they were established to address.

A Critical Opportunity

Congress and the Obama Administration have both expressed a desire for the United Nations to be more transparent and accountable and to use its resources more effectively. To accomplish this, U.N. budgetary decision making must be linked to financial responsibilities, the assessment process must be simpler and more transparent, and the disparity in apportionment lessened. Major donors must have a greater say in budgetary decisions, and smaller donors must assume financial responsibilities that lead them to take budgetary decisions with the seriousness they merit. The chance to reform the U.N. assessment system arises only once every three years: 2012 is one of those years, and the Obama Administration should not let this opportunity slip away.

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132. For more details, see Brett D. Schaefer, "United Nations: Urgent Problems That Need Congressional Action," Heritage Foundation *Lecture* No. 1177, January 25, 2011, http://www.heritage.org/research/lecture/2011/02/united-nations-urgent-problems-that-need-congressional-action.