

# BACKGROUND

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## U.S. Must Enforce Peacekeeping Cap to Lower America's U.N. Assessment

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### Abstract

*The U.N. General Assembly has approved its “scale of assessments” for 2013–2015, determining the share of U.N. budgets that each member state is expected to pay. A decade ago, the U.N. committed to lowering the U.S. peacekeeping assessment to 25 percent, and by 2009, the U.S. share had fallen to less than 26 percent. In 2010, however, the U.S. assessment rose sharply, costing taxpayers hundreds of millions of dollars. The U.S. share of the peacekeeping budget has now risen again to above 28.36 percent over the next three years, which will lead to yet more costs to U.S. taxpayers. Congress and the Obama Administration encouraged these reversals through amendments to U.S. law allowing payments above 25 percent. The U.S. should resume pressure on the U.N. to fulfill its commitment to lower the U.S. peacekeeping assessment to 25 percent.*

This paper, in its entirety, can be found at <http://report.heritage.org/bg2762>

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The United Nations General Assembly recently approved its “scale of assessments” for 2013–2015, which sets the share of U.N. regular and peacekeeping budgets that each member state is expected to pay. Although America’s regular budget assessment will remain steady at 22 percent, the U.S. share of the peacekeeping budget will rise from 27.1415 percent in 2012 to 28.3835 percent this year, and to 28.3626 percent in 2014 and 2015, resulting in hundreds of millions of dollars in additional costs for U.S. taxpayers.

In late 2000, the U.N. committed to lowering the U.S. peacekeeping assessment to 25 percent and, encouraged by U.S. law limiting U.S. payments to U.N. peacekeeping at that level, gradually lowered the assessment from 2001 through 2009. Starting in 2010, however, the U.S. assessment has risen sharply. Congress and the Obama Administration have encouraged this reversal through amendments to U.S. law allowing payments above the 25 percent cap. The U.S. should end this practice and restore pressure on the U.N. to fulfill its commitment made a decade ago to reduce the U.S. peacekeeping assessment to 25 percent.

### KEY POINTS

- In the early 1990s, the U.S. objected to huge increases in U.S. payments for U.N. peacekeeping, and President Clinton signed into law a 25 percent cap on U.S. contributions.
- A decade ago, the U.N. agreed to lower the U.S. peacekeeping assessment to 25 percent in return for U.S. payment of arrears under the Helms–Biden agreement, and began reducing the U.S. peacekeeping assessment, reaching 25.96 percent in 2009.
- This trend reversed with the 2010–2012 scale, which increased the U.S. peacekeeping assessment. The U.S. assessment was raised even more in the 2013–2015 scale. These increases have and will cost American taxpayers hundreds of millions of dollars.
- Congress and the Obama Administration encouraged these reversals through amendments to U.S. law allowing payments above the 25 percent cap.
- The U.S. should restore incentives for the U.N. to lower the U.S. peacekeeping assessment by enforcing the 25 percent cap on its contributions to peacekeeping.

## Struggle to Lower U.S. Assessments

The amount that the U.N. asks the U.S. to pay for its budget is a perennial source of contention, dating back to the founding of the organization when the U.S. successfully opposed a proposal to have America pay 49.89 percent of the U.N. budget. The struggle intensifies every three years during negotiations on apportioning the expenses of the U.N. regular budget and the peacekeeping budget through the U.N. scale of assessments, which assigns a specific percentage of the budget to each member state.<sup>1</sup>

Reducing the U.S. assessment is contentious because the scale of assessments is often a zero-sum game—if America’s assessment is reduced, other member states must increase their own contributions.<sup>2</sup> Nonetheless, the U.S. succeeded in reducing its assessment for the regular budget in roughly a dozen incremental steps from a high of 39.84 percent in 1947. A maximum contribution level was established at one-third of the budget in the 1950s, and was steadily reduced to 25 percent in 1974.

Peacekeeping expenses were originally paid through the regular budget. However, disputes in the early 1960s over peacekeeping expenses and sharp political differences over two major U.N.

peacekeeping operations—the United Nations Emergency Force (UNEF I) established in 1956, and the United Nations Operation in the Congo (ONUC) established in 1960—led a number of countries to withhold U.N. funding, and instigated an ad hoc peacekeeping-funding arrangement with discounts for developing countries subsidized through higher assessments for permanent Security Council members.<sup>3</sup>

When a peacekeeping surge in the late 1980s and early 1990s resulted in unprecedented U.S. payments to the U.N., the U.S. demanded that the ad hoc arrangement for peacekeeping be changed to reduce its share of peacekeeping expenses. As President Bill Clinton stated before the General Assembly in 1993, “[T]he U.N.’s operations must not only be adequately funded, but also fairly funded.... [O]ur rates should be reduced to reflect the rise of other nations that can now bear more of the financial burden.”<sup>4</sup>

In 1994, President Clinton signed P.L. 103–236, which capped U.S. contributions to U.N. peacekeeping at 25 percent.<sup>5</sup> The discrepancy between this cap and the amount that the U.N. assessed to the U.S. for peacekeeping led to a rapid accumulation of arrears in the 1990s.

This financial stress forced the U.N. and the other member states to agree to lower the maximum

contribution level for the regular budget assessment to 22 percent in 2001, which was a condition for U.S. payment of arrears under the 1999 Helms–Biden agreement.<sup>6</sup> This lowered the U.S. regular budget assessment from 25 percent to 22 percent. As part of the agreement, the U.N. also established a formal peacekeeping assessment and agreed to gradually reduce America’s assessment to 25 percent. Ambassador Richard Holbrooke, who brokered the deal, secured an immediate reduction from 30.2816 percent in 2000 to 28.134 percent in January 2001.<sup>7</sup> He testified that “[t]he U.S. rate will continue to progressively decline, and we expect that it will reach 25 percent by roughly 2006 or 2007.”<sup>8</sup>

Congress accepted these assurances in good faith and approved payment of the arrears. While Congress maintained the 25 percent cap as an incentive for the U.N. to follow through on its promise, it approved gradually diminishing increases in the cap to avoid accumulating arrears while the U.N. lowered the U.S. assessment to 25 percent.<sup>9</sup> With the threat of the U.S. peacekeeping cap as an incentive, the U.N. began reducing the U.S. peacekeeping assessment, albeit not as rapidly as originally agreed, reaching 25.9624 percent in 2008 and 2009.<sup>10</sup> (See Table.)

1. Assessments are broadly based on capacity to pay as calculated from gross national income (GNI), modified by various factors. See Brett D. Schaefer, “The Window of Opportunity to Overhaul the U.N. Scale of Assessments Is Closing,” Heritage Foundation *Backgrounder* No. 2701, June 18, 2012, [http://thf\\_media.s3.amazonaws.com/2012/pdf/bg2701.pdf](http://thf_media.s3.amazonaws.com/2012/pdf/bg2701.pdf).
2. Unless new countries join the U.N. that can help offset the U.S. reduction. However, most non-U.N. member states are small or poor and, therefore, would be unlikely to assume significant assessments. A notable exception is Taiwan.
3. See Schaefer, “The Window of Opportunity to Overhaul the U.N. Scale of Assessments Is Closing.”
4. Address by the President to the 48th Session of the United Nations General Assembly, New York, September 27, 1993.
5. H.R. 2333, Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, January 25, 1994, enacted as P.L. 103–236, <http://www.gpo.gov/fdsys/pkg/BILLS-103hr2333enr/pdf/BILLS-103hr2333enr.pdf> (accessed January 18, 2013).
6. “Making Consolidated Appropriations for the Fiscal Year Ending September 30, 2000, and for Other Purposes,” Title IX, November 29, 1999, enacted as P.L. 106–113, <http://www.gpo.gov/fdsys/pkg/PLAW-106publ113/html/PLAW-106publ113.htm> (accessed January 18, 2013).

TABLE 1

## Comparing U.N. Peacekeeping Assessments to U.S.-Authorized Assessments, 1995-2015

Date	U.S. Peacekeeping Assessment Determined by U.N.	U.S. Peacekeeping Assessment Authorized Under U.S. Law	Notes
1995	31.1510%	30.4% through September, 25% starting October 1	
1996	30.9650%	25%	The 25 percent cap was established in P.L. 103-236. It remains U.S. law, periodically adjusted for specific periods.
1997	30.8620%	25%	
1998	30.5324%	25%	
1999	30.3648%	25%	
2000	30.2816%	25%	
January 2001	28.1340%	25%/28.15%*	The cap was changed to 28.15 percent for 2001; 27.9 percent for 2002; and 27.4 percent for 2003 and 2004 in P.L. 107-46 and P.L. 107-228.
July 2001	27.6307%	25%/28.15%*	
January 2002	27.3477%	27.9%	
July 2002	27.2105%	27.9%	
January 2003	27.2883%	27.4%	
July 2003	27.1469%	27.4%	
January 2004	26.6901%	27.4%	
July 2004	26.6752%	27.4%	
January 2005	26.4987%	27.1%	The cap was raised to 27.1 percent for 2005-2009 in P.L. 108-447 and P.L. 111-8.
July 2005	26.4838%	27.1%	
2006	26.6932%	27.1%	
2007	26.0864%	27.1%	
2008	25.9624%	27.1%	
2009	25.9624%	27.1%	
2010	27.1743%	27.3%	The cap was raised to 27.3 percent for 2010 in P.L. 111-117.
2011	27.1415%	27.1415%	U.S. funds were made available "up to the amount specified in Annex IV accompanying United Nations General Assembly Resolution 64/220," initially in P.L. 112-10. The provision was renewed in the "Consolidated Appropriations Act, 2012," P.L. 112-74, enacted December 23, 2011, and in the "Continuing Appropriations Resolution, 2013," enacted as P.L. 112-175.
2012	27.1415%	27.1415%	
2013	28.3835%	25%**	
2014	28.3626%	25%	Unless new legislation is enacted, the U.S. will revert back to the 25 percent cap on U.S. contributions to U.N. peacekeeping.
2015	28.3626%	25%	

\* The cap was increased after reaching agreement with the U.N. to lower the U.S. assessment in return for payment of arrears under Helms-Biden.

\*\* A/64/220 only specifies assessment rates for 2010-2012. H.J. Res. 117 makes funds "up to the amount specified in Annex IV accompanying United Nations General Assembly Resolution 64/220," but since A/64/220 does not specify an assessment for 2013, there is no corresponding assessment on which to base the appropriation. Moreover, when H.J. Res. 117 expires on March 27, 2013, the U.S.-authorized assessment reverts to the 25 percent cap pursuant to P.L. 103-236.

**Sources:** U.N. peacekeeping assessments, 1995-2000: Marjorie Ann Browne, "United Nations Peacekeeping: Issues for Congress," Congressional Research Service, February 11, 2011, <http://www.fas.org/sgp/crs/row/RL33700.pdf> (accessed January 17, 2013). For January 2001: U.S. Department of State, "United States Participation in the United Nations - 2000," p. 115, <http://www.state.gov/documents/organization/7693.pdf> (accessed January 17, 2013). For July 2001-July 2003: United Nations, Report of the Secretary-General, "Information on the implementation of General Assembly Resolutions 55/235 and 55/236," A/C.5/55/38 Annex III, March 1, 2001, [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/C.5/55/38](http://www.un.org/ga/search/view_doc.asp?symbol=A/C.5/55/38) (accessed January 17, 2013). For 2004-2015: United Nations, Report of the Secretary-General, "Implementation of General Assembly Resolutions 55/235 and 55/236," A/58/157/Add.1, A/61/139/Add.1, A/64/220/Add.1, and A/67/224/Add.1, various years, [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/58/157/Add.1](http://www.un.org/ga/search/view_doc.asp?symbol=A/58/157/Add.1), [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/61/139/Add.1](http://www.un.org/ga/search/view_doc.asp?symbol=A/61/139/Add.1), [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/64/220/Add.1](http://www.un.org/ga/search/view_doc.asp?symbol=A/64/220/Add.1), and [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/67/224/Add.1](http://www.un.org/ga/search/view_doc.asp?symbol=A/67/224/Add.1) (accessed January 17, 2013).

## An Inadequate Defense

This trend sharply reversed with the 2010–2012 scale—the first negotiated by the Obama Administration—which assessed the U.S. 27.1743 percent in 2010, and 27.1415 percent in 2011 and 2012 for peacekeeping.<sup>11</sup> Congress and the Administration encouraged this assessment hike in 2009 by increasing the cap from 25 percent to 27.1 percent and applying it retroactively through 2005 to allow payment of arrears accumulated during that period.<sup>12</sup> The other U.N. member states interpreted this action as a weakening in U.S. resolve to lower its peacekeeping assessment and, unsurprisingly, increased the U.S. peacekeeping assessment to 27.1743 percent in 2010. The increase from 25.9624 percent in 2009 to

more than 27.1 percent from 2010 through 2012 cost U.S. taxpayers roughly \$278 million over the past three years.

The U.S. repeated the error by increasing the cap to 27.3 percent for 2010.<sup>13</sup> Subsequent legislation made the situation even worse by failing to identify a specific cap number. Starting in 2011, the U.S. made funds available “up to the amount specified in Annex IV accompanying United Nations General Assembly Resolution 64/220.”<sup>14</sup> In other words, the U.S. increased the cap to the level adopted by the U.N.

Predictably, the other member states have sought to take advantage of this development. In the negotiations on the scale of assessment for 2013–2015, the Group of 77 sought

to raise the maximum contribution level to 25 percent, which would have resulted in a 3 percentage point increase in the U.S. assessment.

Thankfully, the U.S. defeated that proposal.<sup>15</sup> Based on the adjusted biennial budget of \$5.39 billion for 2012–2013,<sup>16</sup> raising the U.S. regular budget assessment to 25 percent would have cost an additional \$81 million per year. Since peacekeeping assessments are based on those for the regular budget, maintaining the 22 percent regular budget assessment for the U.S. prevented a similar 3 percentage point hike in America’s peacekeeping assessment. An additional 3 percentage points in America’s peacekeeping assessment would cost U.S. taxpayers \$217 million per year using the current \$7.23 billion budget,

7. U.S. Department of State, “United States Participation in the United Nations–2000: Administration and Budget,” Part 7, p. 115, <http://www.state.gov/documents/organization/7693.pdf> (accessed January 18, 2013).
8. Richard C. Holbrooke, U.S. Permanent Representative to the United Nations, testimony before the Committee on Foreign Relations, U.S. Senate, January 9, 2001.
9. Amendment to the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001, enacted as P.L. 107-46, <http://www.gpo.gov/fdsys/pkg/PLAW-107publ46/pdf/PLAW-107publ46.pdf> (accessed January 22, 2013); Foreign Relations Authorization Act, Fiscal Year 2003, Sec. 402, enacted as P.L. 107-228, <http://www.gpo.gov/fdsys/pkg/PLAW-107publ228/html/PLAW-107publ228.htm> (accessed January 18, 2013); and Consolidated Appropriations Act, 2005, Sec. 411, enacted as P.L. 108-447, <http://www.gpo.gov/fdsys/pkg/PLAW-108publ447/pdf/PLAW-108publ447.pdf> (accessed January 8, 2013).
10. For U.N. peacekeeping assessments from 2001 to 2003, see U.N. General Assembly, “Information on the Implementation of General Assembly Resolutions 55/235 and 55/236,” A/C.5/55/38 Annex III, March 1, 2001, [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/C.5/55/38](http://www.un.org/ga/search/view_doc.asp?symbol=A/C.5/55/38) (accessed January 18, 2013). For U.N. peacekeeping assessments from 2004 to 2006, see U.N. General Assembly, “Implementation of General Assembly Resolutions 55/235 and 55/236,” A/58/157/Add.1, December 17, 2003, [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/58/157/Add.1](http://www.un.org/ga/search/view_doc.asp?symbol=A/58/157/Add.1) (accessed January 18, 2013). For U.N. peacekeeping assessments from 2007 to 2009, see 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](http://www.un.org/ga/search/view_doc.asp?symbol=A/61/139/Add.1) (accessed January 18, 2013).
11. For U.N. peacekeeping assessments from 2010 to 2012, see U.N. General Assembly, “Implementation of General Assembly Resolutions 55/235 and 55/236,” A/64/220, September 23, 2009, [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/64/220](http://www.un.org/ga/search/view_doc.asp?symbol=A/64/220) (accessed January 18, 2013).
12. Omnibus Appropriations Act, 2009, Division H, March 11, 2009, enacted as P.L. 111-8, <http://www.gpo.gov/fdsys/pkg/PLAW-111publ8/html/PLAW-111publ8.htm> (accessed January 18, 2013).
13. Consolidated Appropriations Act, 2010, Division F, December 16, 2009, <http://www.gpo.gov/fdsys/pkg/PLAW-111publ117/pdf/PLAW-111publ117.pdf> (accessed January 18, 2013).
14. Department of Defense and Full-Year Continuing Appropriations Act, 2011, enacted as P.L. 112-10, <http://www.gpo.gov/fdsys/pkg/PLAW-112publ10/html/PLAW-112publ10.htm> (accessed January 18, 2013); Consolidated Appropriations Act, 2012, enacted as P.L. 112-74, <http://www.gpo.gov/fdsys/pkg/PLAW-112publ74/pdf/PLAW-112publ74.pdf> (accessed January 18, 2013); and Continuing Appropriations Resolution, 2013, enacted as P.L. 112-175, <http://www.gpo.gov/fdsys/pkg/PLAW-112publ175/html/PLAW-112publ175.htm> (accessed January 18, 2013).
15. United States Mission to the United Nations, “Fact Sheet: Conclusion of the 67th General Assembly Main Session of the Fifth Committee,” December 28, 2012, <http://usun.state.gov/briefing/statements/202404.htm> (accessed January 18, 2013).
16. News release, “Fifth Committee, Concluding Session, Approves 2013–2015 Assessment Scales Used to Determine Member State Contributions to Regular, Peacekeeping Budgets,” U.N. General Assembly, December 24, 2012, <http://www.un.org/News/Press/docs/2012/gaab4057.doc.htm> (accessed January 18, 2013).

which runs from July 2012 through June 2013, as a baseline.

Unfortunately, with Congress and the Administration seemingly willing to accommodate increased assessments for peacekeeping, the U.N. is no longer under pressure to fulfill its promise to reduce the U.S. peacekeeping assessment to 25 percent, either by tweaking America's effective rate of assessment for peacekeeping to lower it below what it would be under the current methodology (as the U.N. did in previous scales), or by adopting a 25 percent maximum assessment for peacekeeping. As a result, the U.S. share of the peacekeeping budget for 2013–2015 will rise to 28.3835 percent in 2013, and 28.3626 percent in 2014 and 2015.<sup>17</sup> Using the current \$7.23 billion peacekeeping budget as a baseline:

- Increasing the peacekeeping assessment from the 27.1415 percent in 2012 to 28.3835 percent in 2013 and 28.3626 percent in 2014 and 2015 will cost U.S. taxpayers approximately \$267 million over the next three years.
- The U.S. would have saved over \$522 million over the next three years if the 2009 assessment of 25.9624 percent had been maintained.

- Had the U.N. fulfilled its promise to lower the U.S. peacekeeping assessment to 25 percent, U.S. taxpayers would have saved over \$731 million over the next three years.

### Enforce the Cap

The Administration deserves credit for defeating the effort to increase the U.S. regular budget assessment. But it also bears responsibility for the peacekeeping assessment increases since 2010, which were encouraged through unwillingness to enforce the 25 percent cap. To restore incentives for the U.N. to reduce America's peacekeeping assessment to 25 percent, Congress and the Administration should:

- **Reiterate support for the Clinton-era policy of reducing the U.S. peacekeeping assessment to 25 percent;**
- **Maintain the 25 percent cap on U.S. contributions to peacekeeping in current law;** and
- **Refuse to adjust the cap upwards as that has only encouraged the U.N. to renege on its commitment to lower the U.S. peacekeeping assessment.** A decade ago, the U.S. fulfilled its

part of the Helms–Biden bargain by paying arrears to the U.N. In this era of tight budgets and financial crisis, it is imperative that the U.S. demand that the U.N. fulfill its side of that agreement. The inability of the Obama Administration to convince the U.N. to fulfill that promise, or even keep the U.S. peacekeeping assessment where it was at the end of the second Bush Administration, has cost American taxpayers hundreds of millions of dollars and will cost even more over the next three years. Congress and the Administration should restore incentives for the U.N. to lower the U.S. peacekeeping assessment by refusing to placate the U.N., and enforcing the 25 percent cap on U.S. contributions to peacekeeping.

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17. U.N. General Assembly, "Implementation of General Assembly Resolutions 55/235 and 55/236," A/67/224/Add.1, December 27, 2012, [http://www.un.org/ga/search/view\\_doc.asp?symbol=A/67/224/Add.%201](http://www.un.org/ga/search/view_doc.asp?symbol=A/67/224/Add.%201) (accessed January 18, 2013).