

# CRS Issue Brief for Congress

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## **United Nations System Funding: Congressional Issues**

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## United Nations System Funding: Congressional Issues

### SUMMARY

Congressional debate over U.N. funding focuses on the following questions: (1) What is the appropriate level of U.S. funding for U.N. system operations and programs? (2) What U.S. funding actions are most likely to produce a positive continuation of U.N. system reform efforts?

The U.N. system includes the parent U.N. organization, a number of affiliated agencies, voluntary funds and programs, and peacekeeping operations. Participating states finance the system with voluntary and assessed contributions. For nearly 60 years, the United States has been the single largest financial contributor to the U.N. system.

Both Congress and the executive branch have been pressing U.N. system organizations to reform, especially to improve management and budgeting practices. Indeed, Congress linked payment of U.S. financial arrears to U.N. reforms. In recent years the United Nations has undertaken reforms including a restructuring of its financial assessment system, allowing the United States to pay some of its arrears.

**FY2007.** On February 6, 2006, President Bush requested \$1,268,523,000 for payment of U.S. assessed contributions to international organizations of which \$922,970,000 was for assessed U.N. system organizations including \$422,761,000 for the U.N. regular budget. He requested \$1,135,327,000 for payment of U.S. assessed contributions to U.N. peacekeeping activities and \$289 million for U.S. voluntary contributions to international organizations and agencies. An additional \$50 million was requested for U.S. contribution to voluntary IAEA programs.

**FY2006.** P.L.109-108 (H.R. 2862),

making appropriations for Science, the Department of State, Justice, and Commerce and related agencies included \$1.166 billion, of \$1.296 billion requested, for U.S. assessed contributions to international organizations (CIO), and \$1.035 billion, as requested, for assessed contributions to international peacekeeping activities (CIPA). P.L.109-102 (H.R. 3057), making appropriations for foreign operations included \$329,458,000 (\$281,908,000 was requested) for U.S. voluntary contributions to the International organizations and programs (IO&P) account. In addition, \$50 million, as requested, was appropriated for voluntary contributions to the IAEA in another account. The Bush Administration CIO account request had included \$931,362,000 for U.N. system organizations including \$438,952,000 for the U.N. regular budget. The Administration also requested \$780 million in supplemental FY2005 funding for peacekeeping contributions; \$680 million was appropriated in FY2005 supplemental funding for U.N. peacekeeping in P.L. 109-13. The \$281.9 million request for U.S. voluntary contributions in the international organizations and programs account had included \$114 million for UNICEF and \$95 million for UNDP.

**FY2005.** P.L. 108-447, the Consolidated Appropriations Act for FY2005, included \$1.18 billion for U.S. assessed contributions for international organizations (CIO); \$490 million for assessed contributions for U.N. peacekeeping activities (CIPA); and \$319,494,000 for voluntary contributions for the international organizations and programs (IO&P) account. In addition, \$53 million was included for voluntary contributions to IAEA in another account.



## MOST RECENT DEVELOPMENTS

On February 6, 2006, the President requested \$1,268,523,000 for payment of U.S. assessed contributions to international organizations (CIO account) of which \$922,970,000 was for assessed U.N. system organizations including \$422,761,000 for the U.N. regular budget. In addition, \$1,135,327,000 was requested for U.S. assessed contributions to U.N. peacekeeping activities (CIPA account), and \$289 million for U.S. voluntary contributions to the international organizations and programs (IO&P account). An additional \$50 million was requested for a U.S. contribution to voluntary IAEA programs. On February 16, 2006, the President requested, in a FY2006 supplemental, \$69.8 million for the CIPA account. The House and Senate approved the conference report on H.R. 4939, which provided \$129.8 million for this account, and sent it to the President on June 15, 2006. The House, on June 9, 2006, passed H.R. 5522, the Foreign Operations Appropriations Act, providing \$327,570,000 to the IO&P account.

## BACKGROUND AND ANALYSIS

The United States has been, and remains, the single largest contributor to the U.N. system. For calendar year 2003, U.S. contributions to the U.N. system totaled nearly \$4 billion. The total included about \$762 million in assessed contributions to the U.N. regular budget and U.N. affiliated agencies; about \$ 1.1 billion in assessed contributions to U.N. peacekeeping activities; about \$72 million for war crimes tribunals; and voluntary contributions (both cash and in kind) to U.N.-affiliated organizations and programs (mainly for humanitarian and development programs). In recent years, however, Congress has been pressing to reduce U.S. funding for many U.N. system programs. Congressional debate over U.N. funding is focused on the following questions: 1) What is the appropriate level of U.S. funding for U.N. system operations and programs? 2) What U.S. funding actions are most likely to produce a positive continuation of U.N. system reform efforts? 3) How should the United States address its accumulated arrearages?

### **U.N. System Financing**

The United Nations (U.N.) system is made up of variously interconnected components including specialized agencies, voluntary funds and programs, peacekeeping operations, and the parent United Nations organization itself. The system is financed by contributions from participant states. The contributions are usually made in two ways: more than half are voluntary contributions and the rest are assessed contributions — required “dues” at levels established by the membership of the organizations involved.

Assessed contributions finance the regular budget of the United Nations, the Specialized Agencies, and the International Atomic Energy Agency (IAEA). Financial assessments are one of the legal obligations accepted by a country when it joins one of these organizations. Thus, the organizations have a regular source of income from their members to enable them to carry out authorized programs. Most current peacekeeping operations are funded through

special assessed accounts. U.S. assessed contributions are included within the State Department's budget. Congress authorizes these funds as part of the "Foreign Relations Authorization Act" and appropriates the money in the "Science, Departments of State, Justice, Commerce, and related agencies" appropriations legislation. The regular assessed budgets of U.N. system organizations as well as regional and other non-U.N. organizations are included in the contributions to international organizations (CIO) account, while peacekeeping is funded in the contributions to international peacekeeping activities (CIPA) account.

Voluntary contributions finance special programs and special apparatus created by the U.N. system, such as the United Nations Development Programs (UNDP), the United Nations Environment Program (UNEP), the United Nations Children's Fund (UNICEF), and the U.N. Population Fund (UNFPA). These contributions are entirely up to the individual country, and no country is obliged to contribute to these programs. U.S. voluntary contributions are financed through the foreign assistance authorization and appropriation legislation.

## **U.N. Assessed Budgets**

### **Scale of Assessments**

The regular budgets of the U.N. and specialized agencies are funded by required contributions from member states. The United States is required by Article 17 of the U.N. Charter (a treaty ratified by the United States on August 8, 1945) to contribute to the expenses of the organization. The scale of assessments — which is based generally on a country's capacity to pay — requires the United States to pay the maximum or 22% of the U.N. regular budget, while 48 members pay the minimum or 0.001%. The U.S. assessment for 2005 was \$439,612,000. Regardless of the size of assessment, each member has one vote on U.N. budget decisions, although budgets since 1988 have been adopted by consensus.

Specialized agencies, while linked to the United Nations, are autonomous in executive, legislative, and budgetary powers. Some agencies follow the U.N. scale in making assessments; other agencies use their own formulas, which often result in lower U.S. assessments.

If there were no maximum and minimum assessment levels for the U.N. regular budget and charges were based exclusively on a ratio of a country's gross national product, the United States would be assessed about 30% and some very small and poor countries might be assessed less than 0.001%. In 2006, the top three contributors (United States, Japan, and Germany) were assessed a total of 50.13% of the U.N. regular budget. The top 10 contributors (paying 76.44% of the total) to the regular U.N. budget according to the scale of assessments adopted by the General Assembly for 2006 were as follows.

**Table 1. Top Ten U.N. Regular Budget Contributors for 2006**

Member State	Percent of Budget	Assessments for 2006 in millions of U.S.\$
United States*	22.00	423.465
Japan	19.47	374.728
Germany	8.66	166.730
United Kingdom*	6.13	117.935
France*	6.03	116.068
Italy	4.89	94.028
Canada	2.81	54.145
Spain	2.52	48.506
China*	2.05	39.517
Mexico	1.88	36.245

\*Permanent members of the U.N. Security Council

For 2006, the other permanent member of the Security Council, the Russian Federation, was assessed at 1.10%, \$21,173,000.

## U.N. Reform

Because of unpredictable, partial and in some cases, non-payment of assessed contributions by member countries, the United Nations functions under cash shortage problems. Many see resolution of the financial crisis as inextricably linked to U.N. system reform and restructuring. Some argue that serious reform initiatives can strengthen the confidence of member countries in the ability of the organizations to use funds effectively. Others, however, warn that without timely payment of adequate funds, the system may not function efficiently and effectively.

**U.S. Role in U.N. Reform.** The U.S. government has pressed for U.N. reform and linked payment of past arrears to reforms. High-level negotiations between the Clinton Administration and congressional leaders led to agreement on an arrearage payment plan linked to reform “benchmarks” (popularly known as the Helms-Biden agreement). The 106<sup>th</sup> Congress enacted P.L.106-113 including a Helms-Biden agreement conditioning arrears payments on U.N. reforms.

More recently, on June 17, 2005, the House by vote of 221 to 184 passed H.R. 2745, the Henry J. Hyde United Nations Reform Act of 2005. The wide-ranging and complex measure requires numerous State Department certifications and reports. The measure would withhold 50% of U.S. assessed dues to the U.N. regular budget beginning with calendar year 2007 (financed from U.S. FY2008 funds), if 32 of 40 changes are not in place including 15 mandatory reforms. Among the changes sought by the legislation are: changing funding for 18 U.N. programs to be totally voluntary; creation of an Independent Oversight Board; establishment of a U.N. Office of Ethics; barring membership on human rights bodies to countries under U.N. investigation for human rights abuses; reduction in funding for General Assembly affairs and conference services as well as for public information; and reform in U.N. peacekeeping and establishment of a Peacebuilding Commission. No new or expanded

peacekeeping operations would be allowed until the Secretary of State had certified that U.N. peacekeeping reforms had been achieved.

During floor debate on H.R. 2745 a number of additional provisions were adopted including limiting U.S. contributions to the U.N. Relief and Works Agency (UNRWA); calling for zero nominal growth in the assessed budgets of the United Nations and its specialized agencies; the Independent Oversight Board is to evaluate the final report of the Independent Inquiry Committee on the Oil for Food Program; the U.S. Office of Management and Budget is to provide congress a report on all U.S. contributions to the United Nations; and calls for lifting of the prohibition on gratis military personnel. The Bush Administration has expressed reservations about the House legislation because of its withholding provisions and because it infringes on the President's authority to carry out foreign affairs. H.R. 2745, as passed by the House, was included in H.R. 2601, Foreign Relations Authorization for FY2006 and 2007 as passed by the House on July 20.

A U.N. reform measure has also been introduced in the Senate, S. 1383. The Senate measure would allow the President to withhold 50% of U.S. contributions to the United Nations if the President determined that the United Nations was not making sufficient progress on reforms.

**Task Force on the United Nations.** Appropriations legislation (P.L. 108-447) for FY2005 included a provision directing that \$1.5 million of the money appropriated for the U.S. Institute for Peace be used for the expenses of a Task Force on the United Nations. The Institute was directed to create a task force consisting of no more than a total of 12 experts to study U.N. efforts to meet the goals of its Charter and recommend an actionable agenda for the United States on the United Nations. The Task Force was co-chaired by former Speaker of the House of Representatives, Newt Gingrich, and former Senate majority leader, George Mitchell. It released its report on June 15, 2005. Among its recommendations, the Task Force suggested: creation of an Independent Oversight Board and a Chief Operating Officer; allowing the U.N. Secretary-General to replace top officials; sunset provisions for all programs and activities; disclosure standards for top officials; more independence for the Department of Peacekeeping; and improve the capacity to stop genocide and mass killing.

The Bush Administration has also expressed support for U.N. reforms. It has called for measures to improve internal oversight and accountability, to identify cost savings, and to allocate resources to high priority programs and offices. It has expressed support for creation of a Peacebuilding Commission, for replacement of the commission on Human Rights with a smaller action-oriented Human Rights Council, and support for a Democracy Fund (originally proposed by President Bush in September 2004). The U.S. government has expressed its openness to Security Council reform and expansion, but not at the expense of effectiveness.

**U.N. Reform Efforts.** In 1994, the General Assembly established an Office of Internal Oversight Services headed by an Under-Secretary General appointed by the U.N. Secretary-General with the approval of the General Assembly. Ten annual reports on the activities of the office through June 30, 2004, have been submitted to the General Assembly, and the Office has undertaken an increasing number of monitoring, auditing, and investigative activities.

In 1997, U.N. Secretary-General Kofi Annan announced a two-track reform program. The first track included immediate managerial changes within the Secretary-General's authority to affect, while the second track included reform measures requiring consultation and/or approval by U.N. member governments. Among the first track initiatives were: reducing the budget, staffing levels, and documentation; creating a code of conduct for U.N. staff; reorienting the Department of Public Information; consolidating administrative, financial, personnel, procurement and other services; consolidating economic and social departments; streamlining technical support; and improving integration of development activities at the country level.

Second track proposals focused on U.N. core missions, and on improving management and efficiency. They included creating a new management and leadership structure by establishing a Deputy Secretary-General, a Senior Management Group, and a Strategic Planning Unit; overhauling human resources policies and practices including changing the management culture, eliminating 1000 jobs and reducing administrative costs; and promoting sustainable development as a central U.N. priority. The proposals also called for improving peacekeeping and strengthening post-conflict peace-building capacity; bolstering international efforts to combat crime, drugs and terrorism by consolidating activities in Vienna; establishing a Department for Disarmament and Arms Regulation; enhancing humanitarian activities by replacing the Department of Humanitarian Affairs; and revamping public information functions. The proposals also called for the following: refocusing the work of the General Assembly on priority issues and reducing the length of sessions; establishing a ministerial-level commission to review the U.N. Charter and specialized agency constitutions; and designating the General Assembly session in the year 2000 as "a Millennium Assembly" to focus on preparing the United Nations for the 21st century.

The U.N. General Assembly in 1997 affirmed many policy formulation and management changes proposed by Secretary-General Annan including establishing a Deputy Secretary-General post. Louise Frechette of Canada was named to the Deputy post. In December 2000, the U.N. General Assembly authorized implementation of results based budgeting for the 2003-2003 biennium budget. In 2001, Secretary-General Annan (whose first term expired at the end of 2001) was elected to another five-year term. Urging the United Nations to align its activities to doing what matters in the 21<sup>st</sup> century, in September 2002, Secretary-General Annan submitted a report calling for additional reforms.

On December 2, 2004, a group appointed by the Secretary-General, called the High-level Panel on Threats, Challenges, and Change, issued its report titled, *A More Secure World: Our Shared Responsibility*. The report acknowledges failures and shortcomings in the organization and offers many recommendations for significant changes including enlarging the Security Council, creating a Peacebuilding Commission, and strengthening the role of the Secretary-General. Many of these recommendations would require implementation by U.N. member states. Drawing on some of the proposals in the High-level Panel's report, the Secretary-General on March 21, 2005, issued his own report, *In Larger Freedom: Towards Development, Security and Human Rights for All*. The Secretary-General hoped that these reform proposals would form the basis for discussion and perhaps final decision at a U.N. summit in September 2005. The 2005 U.N. Summit (September 14-16) without a vote agreed to an Outcome Document which included some reform measures, but the details of such measures were mainly left for continued discussions during the 60th session of the U.N. General Assembly.



In May 2005, the Secretary-General appointed Christopher Burnham to be U.N. Under Secretary-General for Management. (Burnham had previously been at the U.S. Department of State in a similar capacity). This U.N. position has been held by Americans in recent years (Catherine Bertini, preceded by Joseph Connor). U.N. Secretariat staff has been cut from about 12,000 in 1985 to about 9,000 today. The U.N. regular budget for the 2000-2001 biennium was \$2.562 billion (or a little less than \$1.3 billion per year); that for 2002-2003 was \$2.891 billion; and for 2004-2005 was \$3.608 billion. On December 23, 2005, the U.N. General Assembly, without a vote, adopted a 2006-2007 U.N. regular budget of \$3.79 billion. It included a provision that "as an exceptional measure" limited the Secretary-General's outlay of funds to \$950 million for the first year, with the remaining funds made available upon his later request as reforms are put into place. The agreement on the budget was a hard-fought compromise. The U.S. Ambassador to the United Nations, John Bolton, had proposed an interim 3-4 month budget to allow for additional assessments and reforms to be undertaken before a full two-year budget was adopted.

## **U.S. Withholding**

Beginning in 1980, Congress prohibited contribution of the U.S. proportionate share for a number of U.N. programs and activities of which Congress did not approve including for the Special Unit on Palestinian Rights, for projects benefitting the Palestine Liberation Organization (PLO), the South West Africa People's Organization (SWAPO), construction of a conference center in Addis Ababa, Ethiopia, for the Second Decade to Combat Racism and Racial Discrimination, and for implementation of General Assembly Resolution 3379 (XXX) (racism equals Zionism). In addition, the Administration withheld the U.S. proportionate share of funds for the Preparatory Commission for the Law of the Sea and funds relating to taxes paid by U.S. citizens employed by the United Nations.

In addition, beginning in 1993, the United States recognized a lower peacekeeping assessment level than applied by the United Nations, and since October 1, 1995, was limited by U.S. law (sec. 404 of P.L.103-236) to a 25% peacekeeping assessment level. Section 402 of P.L.107-228 (signed into law on September 30, 2002) raised the 25% cap on U.S. peacekeeping assessments allowing payment of U.S. current peacekeeping assessments in full. The only current U.S. withholding for the U.N. regular budget is for programs relating to the Palestinians. In addition, since no waiver of the 25% cap on U.S. contributions for U.N. peacekeeping was enacted for CY2006, the United States may also be withholding for U.N. peacekeeping (difference between U.N. assessment of about 26.5% and U.S. statutory limit of 25%). On December 13, 2005, Senator Biden introduced S. 2095 which would raise the U.S. peacekeeping cap to 27.1% for calendar years 2005 and 2006.

## **Arrearages**

Under Article 19 of the U.N. Charter, countries with arrears totaling more than the member's assessments for the two preceding years lose their vote in the U.N. General Assembly. As of March 24, 2006, 15 countries were in that status. By May 9, 2006, that number had been reduced to nine countries, all of which had been permitted by the U.N. General Assembly to vote during its 60<sup>th</sup> session.

According to the United Nations, despite U.S. arrears payments, the United States (as of December 31, 2005), owed assessed contributions of \$1,110,924,811 (\$251,851,905 for

the U.N. regular budget; \$12,022,205 for International Tribunals; \$3,916,440 for the Capital Master Plan; and \$843,134,251 for peacekeeping). The U.S. government, however, maintains that U.S. arrears are not that high because of U.S. statutory and policy withholdings.

## **The Helms-Biden Agreement and Payment of U.N. Arrears**

P.L. 106-113 incorporated the Helms-Biden agreement and authorized appropriations for payment of some U.S. arrears to international organizations provided certain conditions were met and certified by the Secretary of State. The agreement authorized payment of \$819 million (\$100 million of FY1998 funds, \$475 million of FY1999 funds, and \$244 million of FY2000 funds), and authorized \$107 million owed by the United Nations to the United States for peacekeeping to be forgiven provided the United Nations applied it to reduce U.S. arrears.

Among the U.S. conditions was reduction of U.S. regular budget assessments to 22% (from 25%) and reduction of U.S. peacekeeping assessments to 25% (from about 30%). In December 2000, the U.N. General Assembly agreed on a financial restructuring of both the regular and peacekeeping assessment structures. As a result the U.S. share of the regular budget was reduced from 25% to 22% and for peacekeeping from about 30.4% to 28.14%, initially, and falling in subsequent years to about 26.5% currently.

## **FY2007 Funding for U.N. Assessed Budgets**

On February 6, 2006, the President requested \$1,268,523,000 for payment of U.S. assessed contributions to international organizations (CIO account) of which \$922,970,000 was for assessed U.N. system organizations including \$422,761,000 for the U.N. regular budget. In addition, \$1,135,327,000 was requested for U.S. assessed contributions to U.N. peacekeeping activities (CIPA account).

## **FY2006 Funding for U.N. Assessed Budgets**

P.L. 109-108 (H.R. 2862, signed into law on November 22, 1005) providing funding for Science, the Departments of States, Justice, and Commerce for FY2006 included \$1.166 billion for assessed contributions to international organizations (CIO), and \$1.035 billion for assessed contributions to international peacekeeping activities (CIPA). The Secretary of State, at the time of the President's budget submission to Congress, is to transmit to the Appropriations Committees the most recent biennial U.N. budget; notify the same committees of any U.N. action to increase funding for any U.N. program without identifying offsetting decrease elsewhere in the U.N. budget and cause the U.N. budget for the 2006-2007 biennium to exceed the revised U.N. budget level for the 2004-2005 biennium.

The Administration had requested \$1.296 billion for U.S. assessed contributions to international organizations (CIO) of which \$931,362,000 was for assessed U.N. system organizations including \$438,952,000 for the U.N. regular budget. In addition, \$1.035 billion was requested for assessed contributions to U.N. peacekeeping activities (CIPA). Another \$780 million was requested for U.N. peacekeeping operations in supplemental FY2005 appropriations.

H.R. 3057 as passed by the Senate on July 20, 2005, included \$1.166 billion for U.S. assessed contributions to CIO (more than \$130 million below the Administration's request), and \$1.035 billion for assessed peacekeeping activities. The Senate also agreed to an amendment expressing the sense of the Senate that the use of funds for any loan to the United Nations for the renovation of its headquarters in New York not exceed \$600 million. The Senate Committee on Appropriations requested a number of State Department reports during its considerations of the legislation: on assessment rates and other information on the 15 U.N. member countries with the greatest gross domestic products, an evaluation of U.S. participation in non-treaty obligated international organizations, and on changes in the World Tourism Organizations since U.S. withdrawal and potential benefits of U.S. participation.

H.R. 2862 as passed by the House (417-7) on June 16, 2005 appropriated \$1.166 billion for U.S. assessed contributions to CIO. This was more than \$130 million below the Administration request. In addition, by a voice vote, the House agreed to an amendment offered by Representative Garrett which increased funding for state and law enforcement grants by \$22 million. The amount was taken by reducing U.S. contributions to the United Nations by that amount. An amendment offered by Representative Paul prohibiting any U.S. contribution to the United Nations or any affiliated agency was defeated by a vote of 65 to 357.

S. 600, authorizing appropriations for foreign relations for FY2006 and FY2007, as reported (S.Rept. 109-35) by the Senate Foreign Relations Committee, authorized \$1.296 billion for U.S. assessed contributions to international organizations (CIO), and \$1.035 billion for U.S. assessed contributions to U.N. peacekeeping activities (CIPA) account.

## **FY2005 Funding for U.N. Assessed Budgets**

P.L. 108-447, the Consolidated Appropriations Act, FY2005 included \$1.182 billion for U.S. assessed contributions to international organizations (CIO) account of which up to \$6.0 million may be used for the cost of a direct loan of up to \$1.2 billion to the United Nations for renovating U.N. headquarters in New York; and \$490 million for assessed contribution to U.N. peacekeeping activities (CIPA) account. The Secretary of State was to provide the Appropriations Committees with a copy of the most recent U.N. biennium budget and to notify the Committees of any United Nations action to increase funding for any U.N. program without identifying an offsetting decrease elsewhere in the U.N. budget causing the United Nations to exceed its adopted biennium budget for the 2004-2005 of \$3.16 billion. The measure included a rescission of 0.54% for any discretionary account in the act.

The measure directed that \$1.5 million of the money appropriated for the U.S. Institute for Peace be used for the expenses of a Task Force on the United Nations. The Institute is to create the task force consisting of no more than a total 12 experts drawn from the American Enterprise Institute, Brookings Institution, Council on Foreign Relations, Center for Strategic and International Studies, Hoover Institution, and the Heritage Foundation. The task force is to study U.N. efforts to meet the goals of its Charter and submit its report within 180 days of enactment.

The conference committee expressed (H.Rept. 108-118) concern that the U.N. Oil for Food Program was marred by allegations of corruption and that it abetted a tyrannical regime and undermined the international community's good will. It directed the Department of

State to bring all necessary resources to bear on investigation of the Oil for Food Program and provide all requested documents to the U.S. Congress and to provide any requested assistance to the U.N. Secretary-General's Independent Inquiry Committee.

On September 15, 2004, the Senate Committee on Appropriations reported (S.Rept. 108-344) on S. 2809 funding the Departments of Commerce, Justice and State for FY2005. The Committee recommendation of \$1.020 billion for U.S. assessed contributions to international organizations (CIO) was \$173,380,000 below the amount requested by the Administration; and the \$574 million recommended for assessed contributions to U.N. peacekeeping activities (CIPA) was \$76 million below the amount requested by the Administration. The Committee recommended allocation of \$70 million for the IAEA, \$12.7 million for ICAO, \$1.35 million for IMO, and \$1.1 million for WIPO. The Committee also recommended \$6 million to subsidize the cost of a \$1.2 billion loan to the United Nations to finance the renovation of its headquarters. The Committee also recommended that the Department of State urge the United Nations to make available to congressional committees investigating the Oil-for-Food program all relevant documents, and ensure that the Volcker Inquiry is conducted rigorously.

H.R. 4754 as passed by the House (397 to 18) on July 8, 2004 appropriated \$1.194 billion for U.S. assessed contributions to international organizations (CIO) and \$650 million for U.S. assessed contributions to U.N. peacekeeping activities (CIPA). During House floor consideration of the bill, a number of amendments were offered to cut CIO funding. On July 7, 2004, Representative Paul's amendment to prohibit funds for UNESCO failed by a vote of 135 to 333, and his amendment to prohibit U.S. contributions to the United Nations or U.N. affiliated agencies failed by a vote of 83 to 335. The next day, Representative Smith's (Michigan) amendment to reduce CIO funding by \$20 million to express concern about the alleged corruption in the U.N. Oil-for-Food program failed by vote of 129 to 291.

On July 1, 2004, the House Committee on Appropriations reported H.R. 4754 as an original measure. The Committee recommended full funding for CIO and CIPA. The Committee expressed its support for the U.S. policy of zero nominal growth budgets for international organizations and noted that if the United Nations proposed exceeding its \$3.16 billion biennial budget, the Committee should be notified before consideration and adoption of such a proposal. While recommending full payment of U.S. assessed U.N. budget dues, the Committee expressed concern about allegations of corruption in the U.N. Oil-for-Food Program; U.N. need to do more about the crises in Sudan; and charges of sexual abuse of minors related to U.N. peacekeeping operations. The Committee included \$6 million for costs of a direct loan to the United Nations for costs of renovation U.N. headquarters in New York to subsidize up to \$1.2 billion total loan principal.

The Bush Administration had requested \$1.194 billion for U.S. assessed contributions to international organizations (CIO) of which \$819 million was for assessed U.N. system organizations including \$362.2 million for the U.N. regular budget and \$6 million for the U.N. Capital Master Plan, a loan subsidy relating to the renovation of the U.N. headquarters complex in New York. In addition \$650 million was requested for assessed contributions to U.N. peacekeeping activities (CIPA).

**Table 2. U.S. Contributions to Recent U.N. System Assessed Regular Budgets**

(in millions of \$)

	<b>FY2004 Actual</b>	<b>FY2005 Actual</b>	<b>FY2006 Estimate</b>	<b>FY2007 Request</b>
United Nations	340.472	362.193	438.952	422.761
U.N. Capital Master Plan	—	6.00	10.595	22.101
U.N. — War Crimes Tribunals	32.656	35.039	31.620	33.201
Food and Agriculture Organization	72.457	89.716	83.981	89.332
International Atomic Energy Agency	68.462	79.829	77.447	83.192
International Civil Aviation Agency	12.629	12.650	14.894	15.180
International Labor Organization	68.055	63.107	59.866	63.338
International Maritime Organization	1.366	1.479	1.435	1.565
International Telecommunications Union	7.976	7.655	7.370	7.656
United Nations Educational, Scientific and Cultural Organization	84.138	76.754	68.191	69.599
Universal Postal Union	1.697	1.770	1.629	1.690
World Health Organization	93.615	96.110	96.111	101.421
World Intellectual Property Organization	1.058	1.137	1.0761	1.121
World Meteorological Organization	9.963	12.143	10.399	10.804
<b>Total</b>	<b>794.542</b>	<b>845.598</b>	<b>903.566</b>	<b>922.970</b>

## U.N. Voluntary Programs

**FY2007.** The appropriate level of funding for U.N. voluntary programs continues to be a congressional concern. For FY2007 the Administration requested \$289 million for U.S. voluntary contributions to programs in the international organizations and programs (IO&P) account. In addition, \$50 million was requested in another account for IAEA voluntary programs. On June 9, 2006, the House passed H.R. 5522, the Foreign Operations Appropriations Act, providing \$327,570,000 for the IO&P account.

**FY2006.** P.L. 109-102 (H.R. 3057, signed into law on November 14, 2005), included \$329,458,000 for U.S. voluntary contributions to the international organizations and programs (IO & P) account. The conference report (H.Rept. 109-265) recommended that \$127 million be for UNICEF and \$110 million for UNDP; \$50 million was recommended form another account for IAEA voluntary programs.

H.R. 3057 as passed by the Senate on July 20, included a total of \$330 million for FY2006 for U.S. voluntary contributions to programs in the international organizations and programs (IO & P) account as had been recommended by the Senate Committee on Appropriations in its report, S.Rept. 109-96. The Committee also recommended that of the amounts appropriated in the account, \$128 million be for UNICEF, and \$110 million for UNDP. The Committee recommended \$10 million for the proposed U.N. Democracy Fund in another account, and recommended that \$10 million for the World Food Program come from funds for USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance.

H.R. 3057, as passed by the House on June 28, included \$328,958,000 for voluntary contributions for FY2006 for the IO& P account as had been recommended by the House Committee on Appropriations in its report, H.Rept. 109-152. The Committee also recommended that of the amounts appropriated in the account, not less than \$110 million be for UNDP, not less than \$127 million for UNICEF, \$5 million for UNIFEM (of which \$3.5 million for the Fund and \$1.5 million for the Trust Fund in Support of Actions to Eliminate Violence Against Women), and noted the importance of UNEP's work in the Palestinian territories.

S. 600, as reported by the Senate Foreign Relations Committee (S.Rept. 109-35), authorized \$281,908,000 for voluntary contributions for the international organizations and programs (IO&P) account.

The Administration requested \$281,908,000 for voluntary contributions for the international organizations and programs (IO&P) account including \$114 million for UNICEF and \$95 million for UNDP. Fifty million dollars for IAEA voluntary programs was requested in another account.

**FY2005.** P.L. 108-447 included \$319.494 million for voluntary contributions to the international organizations and programs account (IO&P) as well as \$53 million for voluntary contributions to IAEA appropriated in another account.

H.R. 4818 as passed by the House (365 to 41) on July 15, 2004, included \$323.45 million for U.S. voluntary contributions to the international organizations and programs (IO&P) account. \$53 million for a voluntary contribution to the IAEA was included in another account. During House floor debate on H.R. 4818, Representative Buyer introduced an amendment that prohibited use of any funds appropriated by this measure to be used by any U.S. government official to request the United Nations to assess the validity of elections in the United States. The amendment was agreed to by a vote of 243 to 161.

On July 13, 2004, the House Appropriations Committee reported (H.Rept. 108-599) H.R. 4818 as an original measure. The Committee recommended \$323.45 million for voluntary contributions to the international organizations and programs (IO&P) account, \$19 million more than requested by the Administration. The Committee recommended not less than \$107 million for UNDP; not less than \$7 million for the U.N. Voluntary Fund for Victims of Torture; not less than \$125 million for UNICEF; and \$3 million for UNIFEM (of which \$1 million would be for a first time contribution to the Trust Fund in Support of Actions to Eliminate Violence Against Women).

The Administration requested \$304.45 million for voluntary contributions for the international organizations and programs account. In addition, \$53 million was requested for voluntary contributions to IAEA in another account.

**Issues.** An extremely contentious issue has been funding for the U. N. Population Fund (UNFPA). (For detailed discussion, see CRS Issue Brief IB96026, *Population Assistance and Family Planning Programs: Issues for Congress*, by Larry Nowels.)

U.S. officials cite several reasons for restrained funding recommendations for what they consider to be, for the most part, popular and productive agencies. First, as in the assessed

agencies, Administrations have expressed commitments to fiscal restraint in international organizations — to zero growth budgets or budget cuts — arguing that with countries cutting domestic spending, U.N. agencies cannot expect to remain untouched. Second, many believe that there are limits to the United Nations’ institutional capacity to deal with world problems.

Members of Congress have been increasingly critical of funding for multilateral programs which are not always seen as serving primary U.S. interests. Recent congressional activity includes close scrutiny and critical review of international organization programs and a refocusing toward those which are deemed clearly to promote U.S. national interests such as the International Atomic Energy Agency.

The United States exercises considerable influence among voluntary agencies and many countries follow the U.S. lead in making voluntary contributions. If the United States contributes less than in earlier years, other donors may follow suit. This would magnify the reductions to U.N. voluntary programs considerably. A related concern is the cumulative effect of U.S. contribution cuts on voluntary agencies. U.S. cutbacks to one agency also affect programs in other agencies because many projects are joint, cooperative efforts by a number of U.N. agencies. Moreover, the financial crisis in the central U.N. organ and the specialized agencies also has ripple effects on programs throughout the voluntary system.

Congressional supporters of multilateral voluntary agencies fear that budget reductions may significantly affect these organizations’ ability to continue their development work. These proponents point out that many U.N. voluntary agencies serve U.S. interests. They contend that many of these agencies are considered efficient and effective and, in some cases, may provide better development programs than occurs through bilateral channels. Table 3 summarizes recent U.S. funding actions for some U.N. voluntary programs.

**Table 3. U.S. Voluntary Contributions to U.N. Programs Financed Through the Foreign Assistance Act (International Organizations and Programs)**  
(in millions of \$)

	<b>FY2004 Actual</b>	<b>FY2005 Actual</b>	<b>FY2006 Estimate</b>	<b>FY2007 Request</b>
U.N. Development Program (UNDP)	101.398	108.128	108.900	94.500
U.N. Children’s Fund (UNICEF)	119.292	124.000	125.730	123.000
U.N. Development Fund for Women (UNIFEM)	0.994	1.984	3.218	0.950
UNIFEM Trust Fund	—	0.992	1.485	—
International Contributions for Scientific, Educational, & Cultural Activities	1.889	0.837	0.990	1.000
WMO Voluntary Coop. Program	1.988	1.984	1.881	1.900
U.N. Environment Program (UNEP)	10.935	10.912	10.159	9.524
Montreal Protocol Multilateral Fund	20.876	21.328	21.285	19.000
International. Conservation Programs*(CITES, ITTO, IUCN, Ramsar, CCD)	6.362	6.349	5.890	5.906
U.N. Voluntary Fund Torture Victims	5.468	6.944	6.517	4.750

	<b>FY2004 Actual</b>	<b>FY2005 Actual</b>	<b>FY2006 Estimate</b>	<b>FY2007 Request</b>
Climate Stabilization Fund (IPCC, UNFCC)	5.567	5.952	5.940	5.320
ICAO Aviation Security Fund	0.994	0.992	0.941	0.950
U.N. Voluntary Fund for Advisory Services & Technical Cooperation	1.491	1.488	1.485	1.425
IAEA Voluntary Programs**	52.687	52.576	49.500	50.000
Center for Human Settlements	0.746	0.149	0.149	0.400
IMO Maritime Security Programs	—	0.099	0.396	0.400
Reserve — To Be Allocated	—	—	22.275	—
U.N. International Democracy Fund*** (UNIDF)	—	[10.000]	[7.920]	10.000
U.N. Office for Coordination of Humanitarian Affairs (UN OCHA)	—	—	0.805	1.000
<b>Total</b>	<b>355.540</b>	<b>344.714</b>	<b>367.546</b>	<b>330.025</b>

**Note:** Does not include U.S. contributions to U.N. High Commissioner for Refugee (UNHCR) Programs (\$255 million in FY2002) and to U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNWRA) (\$119 million in FY2002), financed through the Migration and Refugee Assistance Account; World Food Program commodities donations; WHO Special Programs; U.N. Volunteers; and U.N. International Drug Control Program.

\* Only CITES is a U.N. program.

\*\* Requested and Appropriated under Non-Proliferation, Antiterrorism, Demining and Related Programs account.

\*\*\* Funded from other accounts in FY2005 and FY2006.

## U.N. Peacekeeping Operations

Issues relating to U.S. support for U.N. peacekeeping operations including financing of such activities have been the source of particular congressional concern. In 1994 Congress enacted legislation (Section 404 of P.L. 103-236) which limited U.S. assessed peacekeeping contributions after October 1, 1995, to 25% of total U.N. peacekeeping assessments. P.L. 107-228 amended this provision for calendar years 2001-2004, allowing U.S. assessments of 28.15% in 2001, 27.9% in 2002 and 27.4% in 2003 and 2004. P.L. 108-447 raised the cap to 27.1% for calendar year 2005. On December 13, 2005, Senator Biden introduced S. 2095, to raise the U.S. peacekeeping cap to 27.1% for calendar years 2005 and 2006. (For detailed discussion, see CRS Issue Brief IB90103, *United Nations Peacekeeping: Issues for Congress*, by Marjorie Ann Browne.)

**FY2007.** The Administration on February 6, 2006, requested \$1,135,327,000 for U.S. assessed contributions to U.N. peacekeeping activities (CIPA account). On February 16, 2006, President Bush, in a FY2006 supplemental, requested an additional \$69.8 million for CIPA, including funds for U.N. peacekeeping in the Sudan. On June 15, 2006, H.R. 4939 (FY2006 supplemental), providing \$129.8 million for CIPA, was sent to the President.



**FY2006.** P.L. 198-108 included \$1.0355 billion for FY2006 U.S. assessed peacekeeping activities. The Administration had requested \$1.0355 billion for FY2006 for U.S. assessed contributions to U.N. peacekeeping activities (CIPA).

**FY2005.** P.L. 108-447 included \$490 million for FY2005 U.S. assessed contributions to U.N. peacekeeping activities. Another \$780 million was requested for U.N. peacekeeping in supplemental FY2005 appropriations. P.L. 109-13 included \$680 million. The Administration had requested \$650 million for FY2005 for U.S. assessed contributions to U.N. peacekeeping operations.

## LEGISLATION

### **P.L. 109-13 (H.R. 1268)**

Making emergency supplemental appropriations for FY2005. Introduced as an original bill on March 11, 2005. Reported (H.Rept. 109-16) by the House Appropriations Committee on March 11. Agreed to in House (388-43) on March 16. Reported (S.Rept. 109-52) by the Senate Committee on Appropriations on April 6, 2005. Agreed to in Senate on April 21. Conference report (H.Rept. 109-72) filed on May 3, House agreed to conference report on May 5, and the Senate on May 10. Signed into law on May 11, 2005.

### **P.L. 109-102 (H.R. 3057)**

Making appropriations for foreign operations, and related programs for FY2006. Reported as an original bill on June 24, 2005, H.Rept. 109-152. Passed the House on June 28 by vote of 393-32. Reported by Senate Committee on Appropriations on June 30 with an amendment in the nature of a substitute, S.Rept. 109-96. Passed in Senate by vote of 98-1 on July 20. Conference report (H.Rept. 109-265) filed on November 2, House agreed to conference report on November 4 by vote of 358 to 39; and the Senate agreed (91 to 0) to the report on November 10. Signed into law on November 14, 2005.

### **P.L. 109-108 (H.R. 2862)**

Making appropriations for Science, the Departments of State, Justice, and Commerce for FY2006. Reported (H.Rept. 109-118) in the House as an original measure on June 10, 2005. House agreed (417-7) to the measure on June 16. Conference report (H.Rept. 109-272) filed on November 7. The House agreed (397 to 19) to the conference report on November 9, and the Senate agreed (94 to 5) on November 16. Signed into law on November 22, 2005.

### **H.R. 2601 (Christopher Smith)**

To authorize appropriations for the Department of State for FY2006 and 2007. On June 9, 2005, the House Committee on International Relations voted 44-0 to favorably report the measure, H.Rept. 109-168. On July 20, passed House, 351-78. H.R. 2745, as passed by the House was added to this measure on July 19, 2005.

**H.R. 2745 (Hyde)**

To reform the United Nations. Introduced on June 7, 2005. House Committee on International Relations voted 25 to 22 to favorably report to the House on June 8. House agreed (221-184) to the measure, as amended, on June 17.

**S. 600 (Lugar)**

To authorize appropriations for foreign relations for FY2006 and FY2007. Introduced as an original bill on March 10, 2005. Reported (S.Rept. 109-35) by the Senate Committee on Foreign Relations on March 10. Senate began consideration on April 5, 2005.

**S. 2095 (Biden)**

To raise the assessment cap on U.S. contributions to U.N. peacekeeping activities to 27.1% for calendar years 2005 and 2006. Introduced on December 13, 2005.

## FOR ADDITIONAL READING

U.S. Department of State, *United States Participation in the United Nations. Report by the Secretary of State to Congress for the Year 2004*, at [<http://www.state.gov/p/io/rls/rpt/c15906.htm>]

U.S. General Accounting Office. *United Nations: Reforms Progressing, but Comprehensive Assessments Needed to Measure Impact*. GAO-04-339. February 2004. Washington, 2004. 59 p.