



United Nations Issues: U.S. Funding to the U.N. System

The United States is the single largest financial contributor to the United Nations (U.N.) system. Congress has long debated the appropriate level of U.S. contributions to U.N. system activities and whether U.S. funds are used efficiently and effectively. From FY2017 to FY2021, the Trump Administration consistently proposed significant overall decreases in U.N. funding; however, Congress generally funded most U.N. entities at higher levels than the Administration requested. President Trump also withheld or halted funding to several U.N. entities. President Biden has voiced support for U.S. participation in the U.N. system and taken steps to resume U.S. funding to some U.N. bodies.

U.N. System Funding

The U.N. system is made up of interconnected entities including specialized agencies, funds and programs, peacekeeping operations, and the U.N. organization itself. The U.N. Charter, ratified by the United States in 1945, requires each member state to contribute to the expenses of the organization. The system is financed by assessed and voluntary contributions from U.N. members. *Assessed contributions* are required dues, the payment of which is a legal obligation accepted by a country when it becomes a member. Such funding provides U.N. entities with a regular source of income to pay for staff and implement core programs. The U.N. regular budget, specialized agencies, and peacekeeping operations are financed mainly by assessed contributions. *Voluntary contributions* finance special funds and programs. The budgets for these entities may fluctuate annually depending on contribution levels.

U.N. regular budget and U.N. specialized agencies. The U.N. regular budget funds the core administrative costs of the organization, including the General Assembly, Security Council, Secretariat, International Court of Justice, special political missions, and human rights entities. The regular budget is adopted by the Assembly to cover a two-year period; however, in 2017 the Assembly voted to change the budget cycle to a one-year period beginning in 2020. Since the late 1980s, most Assembly decisions related to the budget have been adopted by consensus. When budget votes occur (which is rare) decisions are made by a two-thirds majority of members present and voting, with each country having one vote. The approved regular budget for 2020 was \$3.2 billion. The General Assembly negotiates a scale of assessments for the regular budget every three years based on a country's capacity to pay. The U.S. assessment is currently 22%, the highest of any U.N. member state, followed by China (12%) and Japan (8.5%). The U.S. rate is set by a ceiling that was agreed to in the General Assembly in 2000.

The 15 U.N. specialized agencies, which include the World Health Organization (WHO), Food and Agriculture Organization, and World Bank Group, among others, are autonomous in executive, legislative, and budgetary

powers. Some agencies follow the scale of assessment for the U.N. regular budget, while others use their own formulas to determine assessments.

U.N. peacekeeping funding. There are currently 13 U.N. peacekeeping missions worldwide with over 80,000 military, police, and civilian personnel. U.N. Security Council resolutions establishing new operations specify how each mission will be funded. In most cases, the Council authorizes the General Assembly to create a discrete account for each operation funded by assessed contributions; recently, the General Assembly temporarily allowed peacekeeping funding to be pooled for increased financial flexibility due to concerns about budget shortfalls. The approved budget for the 2020-2021 peacekeeping fiscal year is \$6.58 billion. The Assembly adopts the peacekeeping scale of assessments every three years based on modifications of the regular budget scale, with the five permanent Council members assessed at a higher level than for the regular budget. The current U.S. peacekeeping assessment is 27.89%; however, the U.S. has capped its contribution at 25%. Other top contributors include China (15.2%) and Japan (8.5%).

U.N. financial situation. In a March 2019 report to the General Assembly, the U.N. Secretary-General highlighted the "deteriorating financial health" of the United Nations, which led to some budget shortfalls. He stated that these challenges were not only the product of U.N. member state "payment patterns and arrears," but also "structural weaknesses in [U.N.] budget methodology." To help address these issues, the General Assembly adopted several reforms, including pooling U.N. peacekeeping cash balances and changing peacekeeping billing processes (see General Assembly resolution 73/307). In October 2020, U.N. officials reported that while the reforms had helped to alleviate some financial strain, the organization continues to experience a "deepening liquidity crisis."

U.S. Funding

Congress has generally authorized funding to the U.N. system as part of Foreign Relations Authorization Acts; appropriations are provided to the Department of State and U.S. Agency for International Development (USAID) to meet obligations. When authorization bills are not enacted, Congress has waived such requirements and appropriated funds through accounts in annual Department of State, Foreign Operations, and Related Programs (SFOPS) appropriations bills (see **Table 1**). The FY2021 SFOPS Act (P.L. 116-260) includes the following:

- **\$1.51 billion** for the *Contributions to International Organizations* (CIO) account, which funds assessed contributions to the U.N. regular budget, U.N. specialized agencies, and other international organizations;

- **\$1.46 billion** for the *Contributions for International Peacekeeping Activities* (CIPA) account, which funds U.S. assessed contributions to most U.N. peacekeeping operations; and
- **\$387.5 million** (including \$344.27 for U.N. entities) for the *International Organizations and Programs* (IO&P) account, which funds mostly core voluntary contributions to U.N. funds and programs, such as UNICEF and UN Women.

Table I. Selected U.S. Contributions, by Account
(Thousands of U.S. Dollars)

	FY19 Act.	FY20 Est.	FY21 Enact.
CIO	1,360,270	1,473,806	1,505,928
of which U.N.	1,063,827	1,152,870	N/A
CIPA	1,550,900	1,526,383	1,456,314
IO&P	364,000	390,500	387,500
of which U.N.	319,750	310,275	344,275

Sources: Annual congressional budget justifications and SFOPS appropriations legislation and explanatory statements.

Notes: N/A = not yet available. Enacted CIPA funding does not include funding for the U.N. Support Office in Somalia (UNSOS). Administrations usually request UNSOS funds through CIPA, but Congress funds UNSOS through the Peacekeeping Operations account, which funds non-U.N. peacekeeping activities.

The United States provides voluntary contributions to U.N. entities through other SFOPS accounts. For example, according to USAID's Foreign Aid Explorer database, it contributed \$5.5 billion to U.N. humanitarian-related activities through the global humanitarian accounts in FY2019, including Migration and Refugee Assistance, International Disaster Assistance, and Food for Peace, Title II (P.L. 480). (Complete FY2020 and FY2021 funding allocations are not yet fully available.) Congress generally appropriates overall funding to each of these accounts, while the executive branch determines how funds are allocated based on foreign policy priorities and humanitarian needs. Voluntary U.N. funding is also provided through *accounts addressing health, security, and development*, such as Economic Support Fund and Global Health Programs. According to USAID, U.N. funding from these accounts in FY2019 totaled about \$775 million and included entities such as WHO, UNICEF, and the International Atomic Energy Agency, among others.

The United States often accumulates arrears to the U.N. regular budget and other U.N. bodies due to differences between the U.S. and U.N. fiscal years (which affects the timing of U.S. payments), U.S. withholdings from U.N. activities, and the State Department practice of paying assessments on a deferred basis, causing some U.S. contributions to be delayed by a year. (These deferred payments were caused by withholdings to U.N. bodies by the Reagan Administration in the 1980s.) The status of U.N. arrears varies by U.N. entity; each organization has its own payment timeline and system for defining and tracking arrears, which are generally outlined in the organization's constitution, statutes, or financial regulations.

Selected Policy Issues

U.N. regular budget assessment. Over the years, policymakers have expressed concern that current regular budget assessments levels result in the United States providing the bulk of funding while having minimal influence on the budget process. Some have called for increased transparency in the process for determining the scale of assessments. Conversely, some contend that the current assessment level is roughly equivalent to the U.S. share of world gross national income. They argue that it reflects U.S. commitment to the United Nations, affirms U.S. leadership, leverages funding from other countries, and helps the United States achieve its goals in U.N. fora.

U.S. peacekeeping assessment cap. In 1995, due to concerns that the U.S. peacekeeping assessment level was too high (over 30%), Congress set a limit of 25% on the funds authorized after FY1995. Between FY2001 and FY2016, Congress enacted legislation to raise the cap temporarily so that U.S. contributions were closer to U.N. assessment levels. It did not enact a cap adjustment for FY2017 through FY2019, and it returned to 25%. As a result, the United States has accumulated about \$920 million in cap-related arrears from FY2017 to FY2020.

Executive branch role. Congress does not specifically appropriate funding to many U.N. bodies. Instead, it often appropriates lump-sum amounts to U.N.-related accounts. As a result, the executive branch has some leeway to determine how funds are allocated, often with little or no congressional consultation. Some experts and policymakers are concerned that Administrations may not fund U.N. entities as Congress intended. For example, some disagreed with President Trump's decision to withhold funding from WHO. Congress could legislate funding levels for specific U.N. entities or activities, taking more control over U.S. funding to U.N. bodies. This approach, however, would deviate from long standing (and bipartisan) practice intended to provide the executive branch with flexibility to respond to emerging and unpredictable circumstances (such as conflict, humanitarian crises, or health emergencies).

U.S. funding and U.N. reform. Congress has attempted to influence the United Nations by enacting legislation linking U.S. funding to specific U.N. reform benchmarks or activities. For example, it has withheld or placed conditions on funding to the U.N. Human Rights Council and U.N. activities related to the Palestinians. It has also limited U.S. payments to assessed budgets (such as the aforementioned 25% peacekeeping cap). From FY2014 through FY2020, SFOPS bills linked U.S. funding to U.N. whistleblower protection and audit transparency policies. Some Members oppose such actions due to concerns that they may interfere with U.S. influence and ability to conduct diplomacy in U.N. fora. Others maintain that the United States should use its position as the largest financial contributor to push for reform, in some cases by withholding funding.

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