

Issue Brief for Congress

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U.N. System Funding: Congressional Issues

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U.N. 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? (3) How should the United States address its accumulated arrearages?

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 more than 50 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 has linked payment of U.S. financial arrears to U.N. reforms. In recent years the United Nations have been undertaking many reforms including a restructuring of its financial assessment system, allowing the United States to begin paying some of its arrears.

The Bush Administration requested \$891.378 million for FY2003 for U.S. assessed contributions to international organizations (including \$279.327 million for the U.N. regular budget) and \$725.981 million for assessed U.N. peacekeeping operations.

The Administration also requested \$310.4 million for voluntary contributions through the international organizations and programs account. In addition, \$50 million for voluntary IAEA programs and \$15 million for the International Fund for Agricultural Development (IFAD) was requested in other accounts.

Appropriations for U.S. assessed contributions for FY2002 for international regular budgets and for assessed U.N. peacekeeping operations were included in P.L. 107-77 (H.R. 2500). The measure included \$850 million for regular budgets and \$844.139 million for peacekeeping. In addition, P.L. 107-115 (H.R. 2506) included \$208.5 million for voluntary contributions to the international organizations and programs account. An additional \$120 million for UNICEF, \$53 million for the Global Alliance for Vaccines and Immunizations (GAVI), \$20 million for (IFAD), and a contribution for voluntary IAEA programs were provided in other accounts.

P.L. 106-113, enacted in 1999, authorized payment of a total \$819 million for arrears to international organizations (\$100 million for FY1998, \$475 million for FY1999, and \$244 million for FY2000) and authorized application of the \$107 million to U.S. arrears. Arrears payments were subject to certifications that certain conditions had been met (popularly known as the Helms-Biden agreement). Thus far, \$682 million has been credited toward U.S. arrears.

MOST RECENT DEVELOPMENTS

On July 24, 2002, the Senate Committee on Appropriations reported S. 2778 (S.Rept. 107-218, on appropriations for FY2003 for Commerce, Justice, State) including \$850 million for U.S. assessed contributions to the international organizations account and \$666.8 million for contributions to international peacekeeping activities account. On the same day the Committee also reported S. 2779 (S.Rept. 107-219, on appropriations for FY2003 for Foreign Operations) including \$230.486 million for U.S. voluntary contributions to the international organizations and programs account of which \$50 million is for the U.N. Population Fund (UNFPA). \$120 million for UNICEF is included in the Child Survival account.

Conference report (H.Rept. 107-593) on H.R. 4775 making supplemental appropriations for FY2002 included an additional \$7 million for U.S. assessed payments for the contributions to international organizations account and an additional \$23.034 million for assessed payments to the contributions to international peacekeeping activities account. On July 22, the Bush Administration announced that \$34 million which had been appropriated for U.S. contributions to the U.N. Population Fund (UNFPA) would not go to that organization, but be applied to the Child Survival and Health Program.

BACKGROUND AND ANALYSIS

The United States has been, and remains, the single largest contributor to the U.N. system. 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 "State, Justice, Commerce, and Judiciary" 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), and the United Nations Children's Fund (UNICEF). 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 appropriations 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 43 members pay the minimum or 0.001%. The U.S. assessment for 2002 is \$283.076 million. 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 27% and some very small and poor countries might be assessed less than 0.001%. In 2002, the top 3 contributors (United States, Japan, and Germany) were assessed a total of 51.5% of the U.N. regular budget. The top 10 contributors (paying 77.8% of the total) to the regular U.N. budget according to the scale of assessments adopted by the General Assembly for 2002 were as follows.

Table 1. Top Ten U.N. Regular Budget Contributors for 2001

Member State	Percent of Budget	Assessments for 2001 in millions of U.S.\$
United States*	22.00	283.08
Japan	19.67	253.08
Germany	9.85	126.68
France*	6.52	83.84
United Kingdom*	5.58	71.79
Italy	5.10	65.67
Canada	2.58	33.18
Spain	2.54	32.67
Brazil	2.09	26.93
Rep. of Korea	1.87	24.01

*Permanent members of the U.N. Security Council

For 2002, the other two permanent members of the Security Council, the Russian Federation (dropped from the top ten) and China are assessed 1.20%, \$15.44 million and 1.55%, \$19.88 million, respectively.

U.N. Reform

Because of unpredictable, partial and in some cases, non-payment of assessed contributions by member countries (especially the United States), 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 adequate funds, the system may be in danger of collapse.

U.S. Role in U.N. Reform. The U.S. government has been pressing for U.N. reform and has linked payment of its arrearage to reforms. On October 18, 1999, U.S. U.N. Ambassador Holbrooke proposed that the next assessment scale (for years 2001-3) include reduction of the ceiling on U.N. regular budget contributions from 25 to 22%. He also called for establishment of an official and permanent scale for U.N. peacekeeping.

Congressional debate about the U.N. system has linked level of U.S. funding for U.N. activities to U.N. reforms. High-level negotiations between the Administration and congressional leaders led to agreement on an arrearage payment plan linked to reform “benchmarks” (popularly known as the Helms-Biden agreement). The 106th Congress enacted P.L. 106-113 including a Helms-Biden agreement conditioning arrears payments on U.N. “reforms.”

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. Seven annual reports on the

activities of the office through June 30, 2001, have been submitted to the General Assembly, and the Office has undertaken an increasing number of monitoring, auditing, and investigative activities.

On March 17, 1997, U.N. Secretary-General Kofi Annan announced the first part of 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.

On July 16, 1997, Secretary-General Annan announced his second track reform proposals. The 95-page report emphasized focusing on U.N. core missions, and on improving management and efficiency. The proposals included: creating a new management and leadership structure by establishing a Deputy Secretary-General, a Senior Management Group, and a Strategic Planning Unit, assuring financial solvency through creation of a Revolving Credit Fund; overhauling human resources policies and practices including changing the management culture, eliminating 1000 jobs and reducing administrative costs; promoting sustainable development as a central U.N. priority; 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 proposal called on members states to consider 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 2001, Secretary-General Annan (whose first term expired at the end of 2001) was elected to another five-year term.

The current U.N. Under Secretary-General for Administration and Management, Joseph Connor (an American, formerly with Price Waterhouse) is taking substantial measures to improve the functioning and efficiency of the U.N. bureaucracy. U.N. Secretariat staff has been cut from about 12,000 in 1985 to less than 9,000 today. The 1998-99 U.N. budget (\$2.532 billion or a little less than \$1.3 billion per year) was smaller than that for 1996-97 (\$2.608 billion), and the 1994-95 budget (\$2.632 billion). The budget for the 2000-2001 biennium was \$2.562 billion and that for 2002-2003 is \$2.625 billion.

U.S. Withholding

Since 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.

The United States has also withheld funds until certifications are made that certain actions (sought by Congress) have been taken by the United Nations. Such withholdings have included the Kassebaum-Solomon Amendment (sec. 143 of P.L. 99-93, and subsequently amended) which withheld 20% of U.S. assessed dues to the United Nations and its specialized agencies unless those agencies granted voting rights on budgetary matters proportionate to budget contributions by each member country. P.L. 107-77 withheld \$100 million of funds appropriated for the United Nations until the Secretary of State certified that the United Nations had not exceeded its budget for the biennium 2000-2001.

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 February 14, 2002, 23 countries were in that status.

According to the United Nations (as of December 31, 2001), the United States owes assessed contributions of \$870.9 billion (\$165.4million for the U.N. regular budget, \$14.6 million for International Tribunals, and \$690.9 million for peacekeeping). In addition, about \$260 million is outstanding in U.S. assessed payments to U.N. affiliated agencies (such as the Food and Agriculture Organization). The U.S. government, however (because of U.S. statutory and policy withholdings), estimates that U.S. outstanding contributions are lower than the U.N. figures.

U.N. Arrears in Recent Legislation

P.L. 106-113 authorized payment of a total \$819 million and allowed an additional \$107 million to be applied to U.S. arrears. The measure incorporated the Helms-Biden agreement and authorized appropriations for payment of U.S. arrears to international organizations provided certain conditions are met and so 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 applies it to reduce U.S. arrears.

P.L. 106-113 required that State Department certification for release of FY1998 funds include stipulations that neither the United Nations nor any U.N. affiliated agency has

required the United States to violate the Constitution or cede sovereignty, taxed U.S. nationals, created a standing army, charged the United States interest on arrears, borrowed externally, or exercised authority or control over any U.S. national park, wildlife preserve, monument or property. In December 1999 the certification was made and \$100 million was paid to the United Nations.

Release of FY1999 appropriated funds required certification that the United Nations has established a "contested arrears account" for all U.S. arrearages not included for payment in this authorization, and agree that the amount in this account will not be used to apply the provisions of Article 19 of the U.N. Charter to the United States. In addition, for payment of FY1999 appropriated funds, there must be a reduction in the assessment ceiling from 25% to 22% for the U.N. regular budget, and a reduction to 25% for U.N. peacekeeping.

Payment of funds authorized for FY2000 requires that the maximum assessment rate for the U.N. regular budget and designated U.N. specialized agencies (FAO, ILO, and WHO) be reduced to 20%; that designated U.N. specialized agencies establish and have regular reports by independent inspectors general similar to the U.N. Office of Internal Oversight Services; the United Nations, FAO, ILO, and WHO must adopt program evaluation procedures which will result in regular evaluation of the continued relevance and effectiveness of all programs, and the termination of those which are no longer needed (sunset provisions); the United Nations, FAO, ILO, and WHO must establish clearer budget procedures and maintain budgets which do not exceed agreed levels; FAO, ILO, and WHO maximum assessment level is lowered to 22%; the United States or the five largest contributors to the United Nations each must have a seat on the U.N. Advisory Committee on Administrative and Budgetary Questions, and the U.S. General Accounting Office is to have access to U.N. financial data.

The Helms-Biden package included waiver authority for two provisions. The Secretary of State after notification and consultation with the appropriate congressional committees may waive the requirement (1) for establishment of a contested arrears account for those arrears in dispute, and (2) for achievement of the 20% ceiling for regular budget assessments for the United Nations and designated specialized agencies. Secretary of State Albright submitted both waivers in January 2001.

FY2000 appropriations legislation (also in P.L. 106-113) included \$244 million for international organization arrears and allowed \$107 million owed by the United Nations to the United States for peacekeeping to be applied to U.S. arrears. Payment of the \$244 million was prohibited until designated U.N. specialized agencies (FAO, ILO, and WHO) have reduced to 22% the assessed contribution for any single member country, and the organizations have achieved zero nominal growth in the budget for 2000-2001 from the 1998-1999 biennium budget.

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, falling to 27.28% by the end of the year and falling to close to 25% in subsequent years. The deal was solidified after U.S. businessman, Ted Turner (founder of the CNN television network) offered to make a one-time payment of about \$34 million (3% of the total U.N. regular budget) to make up the regular budget shortfall resulting from

reducing the U.S. assessment from 25 to 22% in the 2001 U.N. budget. Many countries had already budgeted their 2001 U.N. assessments and could not pick up the difference in 2001, and so this voluntary contribution mitigated the financial burden on other U.N. member countries in 2001. The General Assembly also decided to review the assessment agreement at the end of the year 2003 and depending on the status of contributions and arrears to consider appropriate measures to remedy the situation, including adjustments in the ceiling.

The changed assessment scale met the requirement of the Helms-Biden agreement for reduction of the regular budget scale to 22%, in order to release the second tranche of arrears payment (FY1999 appropriations of \$475 million, plus \$107 million credit to the United Nations against U.S. arrears). The new peacekeeping scale, however, while a substantial reduction, did not meet the Helms-Biden requirement of 25%. P.L. 107-46 (S. 248) amended the Helms-Biden provision by raising the percentage to 28.15%, thus allowing certification of and payment of the second tranche of arrears.

However, because of another existing statutory prohibition on U.S. payment of more than 25% of U.N. assessed peacekeeping costs (sec. 404, P.L. 103-236), the United States will continue to build up arrears in its peacekeeping assessments. This prohibition affects current U.S. payments for U.N. peacekeeping. H.R. 1646 as passed by the House raises the allowable level for U.S. current assessed peacekeeping costs to 28.15% for FY2002 and FY2003.

H.R. 1646 as passed by the House also placed additional conditions on release of the third and final installment of U.S. arrears (\$244 million): the Secretary of State must certify that the United States had regained a seat on the U.N. Commission on Human Rights and made a determination on U.N. voting practices; and the General Accounting Office (GAO) had to submit to Congress a detailed accounting of U.S. contributions to U.N. peacekeeping operations from 1990 through 2001.

On October 5, 2001 the President signed into law P.L. 107-46 (S. 248) allowing the United States to pay the second tranche (\$475 million) of its arrears to the United Nations and allowed an additional \$107 million to be credited to U.S. arrears. The legislation raised the percentage for U.S. peacekeeping assessments from 25 to 28.15 as a condition for release of arrears funds, thereby making available \$582 million for U.S. arrears to the United Nations. The action was seen as part of an effort to smooth relations with other U.N. member states as the United States sought support for an international coalition to fight terrorism in the aftermath of the September 11, 2001 terrorist attack.

FY2003 Funding for U.N. Assessed Budgets

On July 24, 2002 the Senate Committee on Appropriations reported (S.Rept. 107-218) S. 2778, the FY2003 Commerce, Justice, State appropriations legislation, including \$850 million for assessed U.S. payments to the contributions to international organizations account and \$666.8 million for U.S. assessed contributions to international peacekeeping activities account. The Committee also directed the Secretary of State to prepare a plan for the graduated synchronization of the U.S. and U.N. budget cycles. President Bush requested \$891.378 million for FY2003 for U.S. assessed contributions to international organizations (including \$279.327 million for the U.N. regular budget) and \$725.981 million for assessed U.N. peacekeeping operations.

FY2002 Funding for U.N. Assessed Budgets

Appropriations. P.L. 107-77 (H.R. 2500), signed into law on November 28, 2001, provided \$850 million for the contributions to international organizations (CIO) account but withheld \$100 million until the Department of State certified that the United Nations has not exceeded its budget of \$2.536 billion for the biennium 2000-2001. In addition, the measure provided \$844.139 million for the contributions to international peacekeeping activities (CIPA) account. The House had agreed to the conference report (H.Rept. 107-278) on November 14 and the Senate on November 15.

The conference report (H.Rept. 107-593) on H.R. 4775 making supplemental FY2002 appropriations for FY2002 included an additional \$7 million for the contributions to international organizations to remain available until September 30, 2003 for an emergency contribution anticipated to support a U.N. mission in Afghanistan.

The Bush Administration requested \$878.767 million for U.S. assessed contributions to international organizations, of which \$619.517 million was for assessed U.N. system organizations including \$266.244 million for the U.N. regular budget. In addition, \$844.139 million was requested for assessed peacekeeping operations.

H.R. 2500 as passed (408-19) by the House on July 18, 2001, appropriated \$850 million for FY2002 U.S. assessed contributions to international organizations of which \$100 million is to be available only after a certification by the Secretary of State that the United Nations has not exceeded its budget for the biennium 2000-2001 of \$2.535 billion. The measure also included \$ 844.139 million for assessed contributions to U.N. peacekeeping operations. An amendment sponsored by Representative Ron Paul to prohibit any U.S. contribution to the United Nations to any affiliated agency as well as an amendment to prohibit U.S. contributions for U.N. peacekeeping operations were defeated on July 18, 2001, by a vote of 62 to 364 and 71 to 359 respectively. An amendment sponsored by Representative Bartlett to prohibit funds to implement any recommendation adopted at the U.N. Conference on Illicit Trade in Small Arms and Light Weapons was withdrawn.

The Senate Appropriations Committee reported (S.Rept. 107-42) S. 1215 on July 20, recommending \$1.091 billion for FY2002 for U.S. assessed contributions to international organizations and \$773.182 million for peacekeeping activities. The committee sought to synchronize the U.S. and U.N. budget years by including funding for both calendar year 2001 and calendar year 2002 for the U.N. regular budget. On September 13, 2001, the Senate passed S. 1215, as a substitute, in H.R. 2500.

Authorizations. H.R. 1646 as passed by the House authorized \$944.067 million for U.S. assessed contributions to international organizations, and \$844.139 million for assessed peacekeeping activities. Of the amounts authorized \$59.8 million for each of FY2002 and FY2003 is to cover U.S. return to UNESCO and \$5.5 million for FY2002 is for payment to the UNESCO Working Capital Fund. On May 1, 2002, the Senate passed H.R. 1646 amended by substituting the text of S. 1803 as passed by the Senate on December 20, 2001. Section 307 of the Senate-passed version of H.R. 1646 authorized the appropriation of \$60 million for the International Atomic Energy Agency (IAEA) in FY2002 and \$75 million for FY2003. The provision expressed the sense of Congress that the Secretary of State should negotiate an increase in the regular budget of the IAEA, and stated that it had not been the

intent of Congress in enacting the Helms-Biden U.N. reform legislation to reduce U.S. contributions to all U.N. related organizations to 22%. Rather the legislation asserted that contributions for important and effective agencies such as the IAEA should be maintained “at levels commensurate with the criticality of its mission.”

On September 4, 2001, the Senate Foreign Relations Committee reported S. 1401, authorizing the full amount requested for the CIO and CIPA accounts for the State Department. In addition, S. 1401 authorized \$266.2 million to bring U.S. payments to the U.N. regular budget into alignment with the U.N. financial year.

FY2001 Funding for U.N. Assessed Budgets

P.L. 106-553, signed into law on December 21, 2000, enacted H.R. 5548 as contained in the conference report, H.Rept 106-1005. The measure included appropriations for U.S. assessed contributions for FY2001 for international organization regular budgets a total \$870.833 million and \$ 846 million for assessed U.N. peacekeeping operations.

The Administration had requested for FY2001, \$946.06 million for U.S. assessed contributions to international organizations of which \$299.608 million was for the U.N. regular budget. The Administration also requested \$738.66 million for assessed peacekeeping. In addition, \$107 million was requested in FY2000 supplementary appropriations for assessed U.N. peacekeeping operations in East Timor and Kosovo. H.R. 3908 as passed by the House on March 30, deleted all requested supplemental funds for assessed U.N. peacekeeping operations.

Table 2. U.S. Contributions to Current U.N. Assessed Regular Budgets
(in millions of \$)

	FY2000 Actual	FY2001 Actual	FY2002 Estimate	FY2003 Request
United Nations	302.578	299.651	266.194	279.327
U.N. Capital Master Plan	--	--	--	8.140
U.N. Capital Master Plan Task Force	--	--	--	1.000
U.N.–War Crimes Tribunals	22.420	20.104	23.990	27.213
Cambodia War Crimes Commission	--	--	3.000	--
Iraq War Crimes Commission	--	--	4.000	4.000
Food and Agriculture Organization	81.038	82.388	72.741	72.457
International Atomic Energy Agency	48.929	44.755	47.473	52.230
International Civil Aviation Agency	11.980	12.171	12.011	12.464
International Labor Organization	54.722	55.796	55.361	50.333

	FY2000 Actual	FY2001 Actual	FY2002 Estimate	FY2003 Request
International Maritime Organization	1.195	1.152	1.209	1.145
International Telecommunications Union	6.141	5.962	5.800	5.937
Universal Postal Union	1.296	1.240	1.295	1.325
World Health Organization	108.372	108.109	108.109	93.616
World Intellectual Property Organization	1.054	0.816	0.823	0.825
World Meteorological Organization	9.981	9.421	8.332	8.359
Total	649.706	641.565	610.338	618.371

U.N. Voluntary Programs

FY2003. The appropriate level of funding for U.N. voluntary programs continues to be a congressional concern. On July 24, 2002, the Senate Appropriations Committee reported (S.Rept. 107-219) S. 2779, the FY2003 Foreign Operations appropriations legislation, including \$230.486 for the international organizations and programs account of which \$50 million is for UNFPA. An additional \$120 million is included in the Child Survival account for UNICEF. The Administration requested \$310.4 million for voluntary contributions through the international organizations and programs account. In addition, \$50 million for voluntary IAEA programs and \$15 million for the International Fund for Agricultural Development (IFAD) was requested in other accounts.

FY2002. P.L. 107-115 (signed into law on January 10, 2002) appropriated \$208.5 million for U.S. voluntary contributions to the international organizations and programs account of which not more than \$34 million is for the United Nations Population Fund (UNFPA) and not less than \$6 million is to be for the World Food Program (WFP). In addition \$120 million for the U.N. Children's Fund (UNICEF), \$53 million for the Global Alliance for Vaccines and Immunizations (GAVI), \$20 million for the International Fund for Agricultural Development (IFAD), and a voluntary contribution for the International Atomic Energy Agency (IAEA) were provided in other accounts.

For FY2002 the Bush Administration requested \$186 million for U.S. voluntary contributions to the international organizations and programs account of which 87.1 million would be for UNDP and \$25 million for the U.N. Population Fund (UNFPA). In addition, \$110 million for UNICEF was requested in the Child Survival account and \$49 million for voluntary IAEA programs in the Nonproliferation, Anti-Terrorism and Demining account.

H.R. 2506 as passed (381 to 46) by the House on July 24, 2001, appropriated \$196 million for the voluntary contributions to international organizations and programs account of which not more than \$25 million for FY2002 may be for UNFPA. In addition \$120 million for UNICEF, \$49 million for voluntary contributions for IAEA, and \$20 million for

IFAD are provided from other accounts. The House agreed to an amendment offered by Representative Ose prohibiting use of appropriated funds for a U.S. contribution to the U.N. International Narcotics Control Board.

H.R. 1646 as passed by the House authorized \$186 million for U.S. voluntary contributions to international organizations for FY2002 and such sums as may be necessary for FY2003. Of the authorized amounts \$5.0 million for each of FY2002 and FY2003 is for U.S. cash contribution to the World Food Program (WFP); and \$5.0 million for the U.N. Voluntary Fund for Victims of Torture. Restrictions are placed on UNDP programs in Burma. In addition, \$120 million is authorized for FY2002 for UNICEF.

FY2001. P.L. 106-429 (H.R. 4811) included \$186 million for voluntary contributions to the international organizations and programs account. An additional \$110 million for UNICEF, \$50 million for GAVI, \$47 million for voluntary IAEA programs, and \$2.5 million for IFAD are provided in other accounts. The conference committee recommended (H.Rept. 106-997) that of the \$186 million \$90 million be provided to UNDP, \$25 million to UNFPA, \$5 million for the World Food Program, and \$5 million for the U.N. Voluntary Fund for Victims of Torture.

For FY2001 the Clinton Administration requested \$354 million for voluntary contributions to the international organizations and programs account of which \$110 million is for UNICEF, \$90 million for UNDP, and \$25 million for UNFPA

On July 13, 2000 the House passed (239 to 185) H.R. 4811 (FY2001 foreign assistance appropriations) including voluntary contributions to U.N. programs. As passed the measure provided \$183 million for the voluntary international organizations and programs account of which \$5 million was to be provided for the World Food Program (WFP). In addition, \$110 million for UNICEF and \$50 million for GAVI was included in the Child Survival account. On July 18 the Senate passed H.R. 4811 substituting the language in S. 2522 in lieu. The Senate version provided \$288 million for the international organizations and programs account of which not less than \$5 million would be for WFP and not less than \$25 million for UNFPA. Voluntary IAEA programs are funded in both House and Senate versions in a separate nonproliferation account.

Issues. An extremely contentious issue has been funding for UNFPA. From FY1986-FY1992 UNFPA received no U.S. funds because of its presence in China, where coercive population practices have been reported. President Clinton reversed the earlier policy of not providing any U.S. funds to UNFPA. For FY1998 the Administration requested \$30 million for UNFPA and \$25 million was appropriated. P.L. 105-277 prohibited U.S. funds for UNFPA during FY1999. \$25 million was appropriated for UNFPA during FY2000, and again for FY2001. \$34 million was appropriated for FY2002. In January 2002, the Bush Administration placed a hold on UNFPA funds pending a review of its program in China. On July 22, 2002, the Bush Administration announced that it would not contribute the \$34 million FY2002 funds appropriated for UNFPA to that organization. No funds were requested for UNFPA for FY2003, although there is a "reserve" of \$25 million which might be made available for UNFPA. (For more detailed discussion, see CRS Issue Brief IB96026, *Population Assistance and Family Planning Programs: Issues for Congress.*)

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.

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

	FY2000 Actual	FY2001 Actual	FY2002 Estimate	FY2003 Request
UN Development Program (UNDP)	80.000	87.091	97.100	100.00
UN Children’s Fund (UNICEF) ^b	110.000	109.758	120.000	120.000
World Food Program (WFP)	5.000	5.000	6.000	--
UN Development Fund for Women (UNIFEM)	1.000	1.000	1.000	1.000
International Contributions for Scientific, Educational, & Cultural Activities	2.200	1.750	1.750	1.750
WMO Voluntary. Coop. Program	2.000	2.000	2.000	2.000
UN Environment. Program (UNEP)	10.000	10.000	10.750	10.025
Montreal Protocol Multilateral Fund	28.000	26.000	25.000	23.000
International. Conservation Programs ^c (CITES, ITTO, IUCN, Ramsar, CCD)	5.150	5.450	7.700	6.225
UN Voluntary Fund Torture Victims	5.000	5.000	5.000	5.000
International Fund for Agricultural. Development ^d (IFAD)	2.500	4.989	20.000	15.004
UN Afghan. Emergency Trust Fund	0.500	--	--	--
Climate Stabilization Fund (IPCC, UNFCCC)	6.500	6.500	7.400	5.600
ICAO Aviation Security Fund	0.300	0.300	0.300	0.300
UN Population Fund (UNFPA)	25.000	25.000	--	--
UN Voluntary Fund for Advisory Services. & Technical Cooperation.	1.500	1.500	1.500	1.500

	FY2000 Actual	FY2001 Actual	FY2002 Estimate	FY2003 Request
IAEA Voluntary Programs ^c	43.000	50.458	49.00	50.000
Reserved –To Be Allocated	--	--	34.00	25.00
Total	\$327.650	\$333.591	\$388.500	366.404

^a Does not include U.S. contributions to U.N. High Commissioner for Refugee (UNHCR) Programs (\$241 million in FY2001) and to U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNWRA) (\$101 million in FY2001), 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.

^b Appropriated under Child Survival Program

^c Only CITES is a U.N. program.

^d IFAD funding for FY2001 was appropriated, and in FY2002 and FY2003 was requested under International Financial Institutions.

^e Appropriated under Non-Proliferation, Antiterrorism, Demining and Related Programs account.

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 will 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.

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. (For detailed discussion, see CRS Issue Brief IB90103, *United Nations Peacekeeping: Issues for Congress*.)

FY2003. The Senate Appropriations Committee recommended \$ 666.8 million for assessed U.S. peacekeeping contributions for FY2003. The Bush Administration requested \$725.981 million for FY2003 for U.S. assessed contributions to U.N. peacekeeping operations.

FY2002. The Bush Administration requested \$844.139 million for FY2002 for U.S. assessed contributions to U.N. peacekeeping operations, and P.L. 107-77 appropriated this amount. H.R. 1646 as passed by the House authorized appropriation of this amount. The conference report (H.Rept. 107-593) on H.R. 4775 providing supplemental appropriations for FY2002 included \$23.034 million for contributions to the international peacekeeping activities account for an emergency increased assessment for the U.N. peacekeeping mission in the Democratic Republic of the Congo (MONUC).

FY2001. P.L. 106-553 included \$846 million for assessed peacekeeping contributions for FY2001.

LEGISLATION

P.L. 107-46 (S. 248)

Amends the FY2000-2001 Foreign Relations Authorization Act to adjust a condition for payment of arrears to the United Nations. Introduced on February 6, passed Senate (99-0) on February 7, 2001. Passed House by voice vote on September 24. Signed into law on October 5, 2001.

P.L. 107-77 (H.R. 2500)

The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies, Appropriations, FY2002. Reported (H.Rept. 107-139) as an original bill on July 13, 2001. Passed House (408-19), amended, on July 18; passed Senate, as substituted by S. 1215, on September 13. Conference report (H.Rept. 107-278) filed on November 13. The House agreed (411-15) to conference report on November 14, and the Senate on November 15. Signed into law on November 28, 2001.

P.L. 107-115 (H.R. 2506)

Foreign Operations Appropriations, FY2002. Reported (H.Rept. 107-142) on July 17. Passed House (381-46), amended, on July 24. Reported (S.Rept. 107-58) on September 4. Passed Senate (96-2), amended, on October 24. Conference report (H.Rept. 107-345) agreed to by House on December 19 by vote of 357 to 66 and by the Senate on December 20 by unanimous consent. Signed into law on January 10, 2002.

H.R. 1646 (Hyde)

Foreign Relations Authorizations, FY2002-2003. Passed by the House 352 to 73 on May 16, 2001. Passed by the Senate on May 1, 2002 amended by substituting the text of S. 1803 in lieu.

S. 1401 (Biden)

Foreign Relations Authorizations, FY2002-2003. Reported (S.Rept. 107-60) by the Senate Committee on Foreign Relations on September 4, 2001.

S. 1803 (Biden)

Authorization for the Arms Export Control Act and Security Assistance for FY2002 and FY2003. Agreed to in the Senate by unanimous consent.

S. 2778 (Hollings)

Makes appropriations for the Departments of Commerce, Justice, State, the Judiciary and Related Agencies for FY2003. Reported (S.Rept. 107-218) on July 24, 2002.

S. 2779 (Leahy)

Makes appropriations for Foreign Operations for FY2003. Reported (S.Rept.107-219) on July 24, 2002.

CONGRESSIONAL HEARINGS, REPORTS, AND DOCUMENTS

U.S. Congress. Senate. Committee on Foreign Relations. Subcommittee on International Operations. *The Secretary's Certification of a U.N. Reform Budget of \$2.533 Billion*. Hearing, 105th Congress, 2nd session. May 20, 1998. U.S. GPO, 1998. 18 p.

FOR ADDITIONAL READING

— *United States Participation in the United Nations. Report by the President to Congress for the Year 1999*. Washington, U.S. Govt. Print. Off., 2000. 177 p.

U.S. General Accounting Office. *United Nations: Reform Initiatives Have Strengthened Operations, but Overall Objectives Have Not Yet Been Achieved*. GAO/NSIAD-00-150. May 2000. Washington, 2000. 84 p.

— *United Nations: Status of U.S. Contributions and Arrears*. GAO/NSIAD-99-187. July 1999. Washington, 1999. 29 p.

CRS Reports

CRS Report RL30985. *UNESCO Membership: Issues for Congress*, by Lois McHugh.