

# Issue Brief for Congress

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## **U.N. System Funding: Congressional Issues**

**Updated December 5, 2002**

Vita Bite  
Foreign Affairs, Defense, and Trade Division

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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 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 pay 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 \$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, \$712 million has been credited toward U.S. arrears to the United Nations and U.N. peacekeeping operations. The other \$214 million appropriated arrears funds are to be paid to other international organizations including U.N. system agencies such as the Food and Agriculture Organization (FAO).

## MOST RECENT DEVELOPMENTS

*A fifth continuing resolution (H.J.Res. 124, P.L. 107-294) currently provides FY2003 funding for U.S. contributions to international organizations since no permanent appropriations measures have been enacted. On September 19, 2002, the House Appropriations Committee reported (H.Rept. 107-663) H.R. 5410 making foreign operations appropriations for FY2003 including \$190.4 million for U.S. voluntary contributions for the international organizations and programs account. Additionally \$120 million for UNICEF and \$50 million for voluntary IAEA programs are included in other accounts.*

*P.L. 107-228, the Foreign Relations authorization for FY2003, signed into law on September 30, 2002, authorized \$891.378 million for U.S. assessed contributions to international organizations and \$725.98 million for U.N. peacekeeping. The measure amended several conditions which must be certified in order to make available the third and final (\$244 million) U.S. arrears payment to various international organizations. It amended the 25% cap on the U.S. share of U.N. peacekeeping contributions for calendar years 2001-2004. P.L. 107-228 requested a report on the merits and costs of U.S. return to UNESCO, as well as a report on U.S. efforts to increase the employment of U.S. citizens in the U.N. system. The legislation called on the United States to move toward making payment of its assessments at the beginning of each calendar year. The measure supported retention of the 25% U.S. assessment for the regular budget of the International Atomic Energy Agency (IAEA).*

## 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), 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 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 2002**

Member State	Percent of Budget	Assessments for 2002 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, 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 linked payment of its arrearage to reforms. 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 106<sup>th</sup> 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.

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, 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; 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 called on member countries 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. In September 2002, Secretary-General Annan announced further reform changes.

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 were 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 September 20, 2002, 16 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 incorporated the Helms-Biden agreement and authorized appropriations for payment of 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.

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 arrearage funds required additional certification that the assessment ceiling for the U.N. regular budget had been reduced to 22% and to 25% for U.N. peacekeeping.

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 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. The new peacekeeping scale, however, while a substantial reduction, did not meet the Helms-Biden requirement of 25%. On October 5, 2001, the President signed into law P.L. 107-46 (S. 248) which 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 (FY1999 appropriations of \$475 million, plus \$107 million credit to the United Nations against U.S. arrears). 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.

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 would continue to build up arrears in its assessed peacekeeping payments. P.L. 107-288, H.R. 1646, the Foreign Relations Authorization for FY2003; changed the allowable level for U.S. peacekeeping assessments as follows: for calendar year 2001, 28.15%; for calendar year 2002, 27.9%; for calendar year 2003, 27.4%; and for calendar year 2004, 27.4%. The 25% cap would be restored thereafter.

P.L. 107-228 also amended the Helms-Biden agreement to allow the third and last installment of arrears to be paid to each international organization upon certification of the conditions established for that agency or immediately if no conditions applied.

## **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 CIO account and \$666.8 million for U.S. assessed CIPA 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.

**Authorizations.** P.L.107-228 (H.R. 1646) as signed into law on September 30, 2002, authorized \$891.378 million for FY2003 contributions for the CIO account and \$725.981 million for CIPA. It prohibited funding from U.S. contributions to the U.N. regular budget for the 2002-2003 biennium to be available for any framework treaty-based organization, including the Framework Convention on Global Climate Change, the International Seabed Authority, and the International Criminal Court. Sec. 401 of the measure amended several conditions which must be certified in order to make available the third and final U.S. arrears payment (\$244 million) to various international organizations. Sec. 402 of P.L.107-228

also amended the limitation on the U.S. share of assessed U.N. peacekeeping operations for calendar years 2001-2004. The U.S. cap of 25% would be restored after 2004.

Section 404 of P.L. 107-228 expressed the sense of Congress that the U.S. government should begin a process of synchronizing payment of its assessments to the United Nations and other international organizations so that the United States can resume paying its dues at the beginning of each calendar year. Section 405 amended the U.N. participation Act relating to annual reports on U.S. financial contributions to international organizations and in support of peacekeeping operations. Section 405 required the Secretary of State to submit a report within 120 days of enactment on the use of secret ballots within the United Nations as specialized agencies and section 409 required a report within 180 days of enactment describing proposals to increase employment of U.S. citizens in senior posts at U.N. system organizations. Section 407 expressed the sense of Congress that the President having announced (in his speech at the United Nations on September 12, 2002) U.S. return to UNESCO should submit a report describing the merits of such return and detailing projected costs of U.S. membership in UNESCO. Section 408 called on the United States to make every reasonable effort to secure a U.S. seat on the U.N. Commission on Human Rights and the International Narcotics Control Board, and to prevent Human Rights Commission membership from countries with poor human rights records. (In April 2002, the United States was elected to the Human Rights Commission for the 2003-2005 period.)

Section 1305 of P.L. 107-228 expressed the congressional finding that the IAEA is a critical and effective international organization, endorsed a U.S. assessment level of 25%, and urged the Secretary of State to negotiate an increase in the IAEA regular budget beginning with the 2004 budget. It authorized a \$10 million increase in U.S. voluntary contributions to IAEA (to \$60 million) in FY2003.

H.R. 1646 as passed by the House authorized \$944.067 million for the CIO account, and \$844.139 million for CIPA. Of the amounts authorized \$59.8 million for each of FY2002 and FY2003 was 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.

## **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.

## **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.

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

(in millions of \$)

	<b>FY2000 Actual</b>	<b>FY2001 Actual</b>	<b>FY2002 Estimate</b>	<b>FY2003 Request</b>
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
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
<b>Total</b>	<b>649.706</b>	<b>641.565</b>	<b>610.338</b>	<b>618.371</b>

## U.N. Voluntary Programs

**FY2003.** The appropriate level of funding for U.N. voluntary programs continues to be a congressional concern. On September 19, 2002 the House Appropriations Committee reported H.R. 5410 (H.Rept. 107-663), the Foreign Operations appropriations legislation for FY2003. The Committee recommended \$190.4 million for the international organizations and programs account of which not less than \$100 million was recommended

for UNDP, not less than \$5 million for the U.N. Voluntary Fund for Victims of Torture, and \$25 million for UNFPA. In addition \$120 million for UNICEF and \$50 million for voluntary contributions to IAEA were recommended in other accounts.

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 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 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 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 September 30, 2002, President Bush directed that the \$34 million FY2002 funds appropriated for UNFPA be transferred to the Child Survival and Health Program Fund. 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)<sup>a</sup>**  
(in millions of \$)

	<b>FY2000 Actual</b>	<b>FY2001 Actual</b>	<b>FY2002 Estimate</b>	<b>FY2003 Request</b>
UN Development Program (UNDP)	80.000	87.091	97.100	100.00
UN Children's Fund (UNICEF) <sup>b</sup>	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 <sup>c</sup> (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 <sup>d</sup> (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
IAEA Voluntary Programs <sup>e</sup>	43.000	50.458	49.00	50.000
Reserved -To Be Allocated	--	--	34.00	25.00
<b>Total</b>	<b>\$327.650</b>	<b>\$333.591</b>	<b>\$388.500</b>	<b>366.404</b>

<sup>a</sup> 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.

<sup>b</sup> Appropriated under Child Survival Program

<sup>c</sup> Only CITES is a U.N. program.

<sup>d</sup> IFAD funding for FY2001 was appropriated, and in FY2002 and FY2003 was requested under International Financial Institutions.

<sup>e</sup> 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. P.L. 107-288 amended this provision for calendar years 2001-2004, allowing U.S. assessments of 28.15% in 2001, 27.9% in 2001 and 27.4% in 2003 and 2004. (For detailed discussion, see CRS Issue Brief IB90103, *United Nations Peacekeeping: Issues for Congress*.)

**FY2003.** The Senate Appropriations Committee recommended (S.Rept. 107-218, S. 2778) \$ 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 CIPA 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.

**P.L. 107-228 (H.R. 1646)**

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. Conference report (H.Rept. 107-671) filed on September 23, 2002. Conference report agreed to in the House by voice vote on September 25 and the Senate on September 26 by unanimous consent. Signed into law on September 30, 2002.

**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, 105<sup>th</sup> Congress, 2<sup>nd</sup> 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.