

ISSUE BRIEF

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U.S. Should Demand Increased Transparency and Accountability as U.N. Revenues Rise

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United Nations system revenues nearly tripled between 2002 and 2012 from nearly \$15 billion to \$41.5 billion. Cumulatively, the U.N. received more than \$312 billion over that period. The U.S. has been and remains the U.N. system's largest contributor, providing approximately one-fifth of total contributions on average annually over that period. Incomplete data make a complete account problematic, but best estimates indicate that U.S. contributions to the U.N. system from 2002 to 2012 were approximately \$60 billion.

This considerable investment of taxpayer dollars should lead Congress and the Administration to undertake measures to increase transparency and accountability both in the U.N. system and the U.S.

Rising Revenues, Lagging Accountability. The U.N. system is vast and complex, composed of roughly three dozen distinct organizations. Funding for these organizations or, in the case of U.N. peacekeeping, activities varies: Some rely on mandatory contributions assessed upon each member state according to agreed formulas, some rely exclusively on voluntary contributions, and many are funded by a blend of assessed and voluntary contributions.¹

In recognition of the need to monitor its diverse budgets, the U.N. has published biennial reports since

the early 1990s providing system-wide revenue and expenditure data. Although the data are presented inconsistently over that period, these reports reveal that the U.N. system has expanded greatly. Specifically, as tabulated in the table below, the U.N. system has nearly tripled its revenues from 2002 and 2012 from \$14.963 billion to \$41.504 billion. Cumulative revenues over that period were more than \$312 billion.

Although U.N. organizations remain opaque in many ways, transparency within the U.N. system has improved in some areas. For instance, the U.N. Chief Executives Board (CEB) created an easily navigable website for U.N. system financial statistics, although it does not provide data prior to 2010 and presents data in a format different than that in previous reports.² Similarly, decisions in the past two years by the U.N. General Assembly and several other U.N. bodies to make internal audit reports publicly available online are positive.³

However, transparency has not necessarily meant accountability. A recent news report revealed that the U.N. Office of Internal Oversight Services (OIOS), whose audits the U.N. decided to release to the public, has failed to actively pursue cases of corruption for the past five years—many of which were inherited from the amazingly effective Procurement Task Force (PTF) that was terminated for uncovering graft by U.N. employees from several influential member states.⁴ Along the same lines, U.N. whistleblowers continue to lack sufficient protection and suffer from retaliation in many cases.⁵

Rising U.S. Contributions. America is the largest contributor to the U.N. system although its contributions vary depending on the organization. In a few organizations, the U.S. assessment is in the

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single digits. For the most part, however, the U.S. pays far more than other member states.

For instance, the U.S. assessment of 22 percent for the U.N. regular budget (which serves as a standard for many U.N. organizations) is more than the combined assessment of the 178 least assessed states—which are assessed less than 21 percent *combined*. The situation for the peacekeeping budget is even more skewed, with the U.S. assessment of nearly 28.4 percent outstripping the 185 least assessed states that pay less than 26 percent combined.⁶ As illustrated in the table, the U.S. accounts for roughly one-fifth of total U.N. contributions annually.

While the U.N. has become more transparent in reporting its finances, the U.S. has moved in the opposite direction. Most U.S. contributions to the U.N. system come from the State Department, but hundreds of millions of dollars also flow from other parts of the federal government. Thus, relying on State Department data, such as that in State's annual report to Congress on U.S. contributions to international organizations, presents an incomplete picture.

In 2006, Congress required the White House Office of Management and Budget (OMB) to submit a comprehensive report on total U.S. contributions to the U.N. system for fiscal years (FY) 2001 through 2005. Because OMB is in charge of overseeing the preparation of the President's budget, it was able to require all U.S. agencies to report the requested information.

That 2006 report confirmed that actual U.S. contributions to the U.N. were far more than previously reported by the State Department. Congress mandated similar reports for FY 2006 through FY 2010 but was inconsistent in assigning authorship. In each instance where the State Department compiled the report, U.S. contributions to the U.N. implausibly fell below the amount reported for previous years by the OMB. The last reliable accounting by the OMB was for FY 2010, which reported contributions totaling \$7.692 billion.

The reporting requirement lapsed in 2011. As a result, a comprehensive accounting of U.S. contributions to the U.N. system after FY 2010 is not available. Using State's incomplete data as a proxy, however, indicates that the U.S. provided the U.N. system with nearly \$60 billion between 2002 and 2012.

What Does the U.S. Get for Its Money? As important as knowing how much the U.S. provides to the U.N. system is determining whether those funds are being used well and advancing U.S. interests. U.N. organizations have been reluctant to prioritize and terminate ineffective or duplicative activities, as illustrated by the experience with the U.N. Mandate Review, which was terminated by the General Assembly after its initial report concluded that a significant number of U.N. activities were no longer "current and relevant."⁷

1. Voluntary contributions include in-kind or non-monetary donations (such as food, equipment, or transport) and voluntary monetary contributions from member states, states that are not members of the organization, donations from U.N. trust funds or other international organizations such as the World Bank, or non-state donations from quasi-governmental bodies such as the European Commission or nongovernmental organizations and charities.
2. United Nations System Chief Executives Board for Coordination, "UN System Financial Statistics," <http://unsceb.org/content/stats-fb> (accessed February 24, 2014).
3. News release, "Ambassador Susan E. Rice, U.S. Permanent Representative to the United Nations, on the Decision by the Joint Executive Board of UNDP, UNOPS and UNFPA to Make Internal Audit Reports Public," U.S. Department of State, June 29, 2012, <http://usun.state.gov/briefing/statements/194301.htm> (accessed February 24, 2014); and news release, "Statement by Ambassador Susan E. Rice, U.S. Permanent Representative to the United Nations, on the Agreement by the Fifth Committee to Make Public OIOS Audits," U.S. Department of State, March 28, 2013, <http://usun.state.gov/briefing/statements/206760.htm> (accessed February 24, 2014).
4. John Heilprin, "UN Whistle-Blower Case Shows Accountability Limits," Associated Press, January 10, 2014, <http://bigstory.ap.org/article/un-whistle-blower-case-shows-accountability-limits> (accessed February 24, 2014); and Brett D. Schaefer, "The Demise of the U.N. Procurement Task Force Threatens Oversight at the U.N.," Heritage Foundation *WebMemo* No. 2272, February 5, 2009, <http://www.heritage.org/research/reports/2009/02/the-demise-of-the-un-procurement-task-force-threatens-oversight-at-the-un>.
5. Government Accountability Project, "United Nations," <http://www.whistleblower.org/program-areas/international-reform/united-nations> (accessed February 24, 2014).
6. This document also included regular budget assessments. U.N. Secretary-General, "Scale of Assessments for the Apportionment of the Expenses of the United Nations Peacekeeping Operations: Implementation of General Assembly Resolutions 55/235 and 55/236," December 27, 2012, http://www.un.org/ga/search/view_doc.asp?symbol=a/67/224/Add.1 (accessed February 24, 2014).
7. United Nations, "Mandate Review: Report of the Co-Chairs," <http://www.un.org/ga/president/62/letters/cochairsmandatereview080808.pdf> (accessed February 24, 2014).

TABLE 1

U.S. Contributions to United Nations System, 2002–2012

DOLLAR FIGURES IN BILLIONS OF U.S. DOLLARS

	U.S. Contributions to U.N. System	Revenue for U.N. System			U.S. Share of Total U.N. System Revenue
	Fiscal Years	Assessed*	Extra-Budgetary	Total	
2002	\$3.935	\$5.927	\$9.035	\$14.963	26.3%
2003	\$3.841	\$6.172	\$11.778	\$17.950	21.4%
2004	\$4.115	\$7.052	\$12.529	\$19.582	21.0%
2005	\$5.327	\$8.565	\$15.313	\$23.877	22.3%
2006**	\$4.546	\$9.091	\$15.266	\$24.357	18.7%
2007**	\$4.158	\$10.045	\$17.204	\$27.248	15.3%
2008**	\$6.090	\$11.171	\$20.900	\$32.072	19.0%
2009	\$6.347	\$12.646	\$19.247	\$31.893	19.9%
2010	\$7.692	\$13.283	\$26.276	\$39.559	19.4%
2011***	\$5.373	\$13.293	\$26.144	\$39.437	13.6%
2012***	\$7.473	\$13.657	\$27.847	\$41.504	18.0%
Total	\$58.897	\$110.902	\$201.540	\$312.442	18.9%

* The source material does not include U.N. peacekeeping in its assessed contributions table for 2002–2009. These data use regular budget expenditure for U.N. peacekeeping as a proxy.

** Reports prepared by the U.S. Department of State. Unlike the White House Office of Management and Budget, the State Department cannot compel other departments to provide requested information and, as a result, its reports likely under-represent U.S. contributions.

*** Because the legislative reporting requirement expired, the Administration has not released a report on U.S. contributions to the U.N. system for FY 2011 or FY 2012. These data are from the State Department’s annual report to Congress, “U.S. Contributions to International Organizations.”

Sources: U.S. contributions: FY 2001–2005 (http://www.eyeontheun.org/assets/attachments/documents/OMB_report_on_US_contributions_to_UN.pdf), FY 2006–2007 (<http://www.state.gov/documents/organization/130242.pdf>), FY 2008 (<http://www.state.gov/p/io/rls/rpt/c35524.htm>), FY 2009 (http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/us_contributions_to_the_un_06112010.pdf), FY 2010 (http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/us_contributions_to_the_un_06062011.pdf), FY 2011 (<http://www.state.gov/documents/organization/198906.pdf>), FY 2012 (<http://www.state.gov/documents/organization/213206.pdf>). U.N. revenue: Data for 2002–2009 from United Nations General Assembly, “Budgetary and Financial Situation of the Organization of the United Nations System,” Tables 2–4, August 3, 2010, pp. 10–11, 126–127, 131–132. Data for 2010–2012 from Chief Executives Board for Coordination, “United Nations System: Total Revenue by Revenue Type,” <http://unsceb.org/content/FS-K00-02> (accessed February 24, 2014).

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Therefore, it is incumbent on governments to conduct their own analyses. One such effort by the United Kingdom led to the decision to end funding to several U.N. organizations that provided poor value for money. A thorough analysis of U.S. membership in international organizations has not been conducted since the 1990s—after which the U.S. withdrew from the U.N. Industrial Development Organization—and is long overdue.

Next Steps. Congress and the Administration should:

- Request that the CEB provide historical financial statistics for the U.N. system on its website consistent with the current presentation to enhance transparency and enable better analysis.
- Demand that U.N. organizations conduct a thorough review of their activities, including reviving the defunct Mandate Review, to identify and eliminate ineffective or unnecessary activities.
- Reconstitute the PTF. The unwillingness of the OIOS to investigate corruption necessitates a supplementary effort that could be addressed by a reconstituted PTF or an equivalent independent entity empowered to investigate any entity or mission that receives funding from the U.N. regular budget or the U.N. peacekeeping budget or reports to the General Assembly.
- Enact a permanent annual reporting requirement on all U.S. contributions to the U.N. system

to be conducted by the OMB. The first of these reports should require information for FY 2011 through the most recently completed fiscal year to fill in the reporting gap.

- Conduct a cost-benefit analysis of U.S. participation in all U.N. organizations to identify those most and least vital to U.S. interests and providing the most and least value for money. Ongoing U.S. membership and voluntary contributions should be informed by this analysis.
- Enforce withholding for U.N. organizations that lack adequate whistle-blower protections. The 2014 omnibus appropriations bill requires the U.S. to withhold 15 percent of U.S. contributions unless the Secretary of State certifies that the organization has implemented specified whistle-blower protections.

Transparency Plus Accountability. Because the U.S. pays so much more than other nations, it has a greater interest in tracking its contributions and ensuring that they are used productively and as intended. Implementing these recommendations would enhance transparency and accountability, provide critical information on how U.N. organizations should prioritize funding and boost effectiveness, and create an objective basis for aligning U.S. contributions to the U.N. system with U.S. interests.

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