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# U.S. Funding of the United Nations: Arrears Payments as an Indicator of Multilateralism

By  
Alison Bond\*

## I. PREFACE

This article examines the Bush administration's attitude toward multilateralism with regard to U.S. arrears payments to the United Nations. Participation in the activities of the United Nations is an important part of any examination of a nation's approach toward multilateral activities as the organization offers a unique forum for making decisions in concert with other member states. The United States has always been responsible for funding a major portion of the U.N. regular budget along with other U.N. agencies and activities; however, this role has proved controversial within U.S. domestic politics. Over the last twenty years the United States accumulated large arrears to the U.N. These policy decisions are relevant to an analysis of multilateralism because large debts to the U.N. inhibit its function as a forum for multilateral decision making. Thus, multilateralism can be understood as not merely participation in U.N. activities, but also as actions that facilitate the effectiveness of the U.N.

Many of the details regarding U.S. funding of the U.N. are largely obscured from public debate. Press reports vary widely in the information presented, whereas official U.N. sources tend to release data late and in different and sometimes inconsistent versions.<sup>1</sup> In addition, U.S. arrears include contributions to

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1. The Global Policy Forum website has the most detailed analysis of data regarding U.N. arrears; however, even their site contains the following disclaimer:

Note: All data in these tables have been carefully collected from United Nations sources and checked for consistency. Users should be aware, however, that the U.N. does not always publish reliable data, that the U.N. sometimes releases data very late, that different offices sometimes release different versions of the same data (with large variations), and that different agencies release data with different parameters (assessments vs. expenditures, for instance) and different time periods. Not all data tables on the site are fully consistent with one another for this reason. But it seems fair to say that these tables, imperfect as they are, are the best available anywhere on this subject.

Tables and Charts on U.N. Finance, at <http://www.globalpolicy.org/finance/tables/index.htm> (last visited Feb. 21, 2003).

the funding of the U.N. regular budget, a variety of U.N. agencies and U.N. peacekeeping missions, the details of which are not always kept separate in analysis. Consequently, the subject matter is difficult to pierce and this article does not seek to provide an exhaustive analysis of U.S. funding of the U.N. Instead, the topic serves as a microcosm of a set of broader themes regarding U.S.-U.N. relations.

The article first examines the background of the funding crisis, specifically the buildup of U.S. arrears and the efforts made prior to January 2001 to get them under control. The second section of the paper focuses on the events that occurred during the first two years of the Bush administration, particularly noting a shift which occurred after September 11, 2001. The article concludes by highlighting some further implications of U.S. policies toward funding the United Nations.

## II.

### HISTORY OF FUNDING

#### A. *Background to Assessed Contributions*

The U.N. system is financed through assessed and voluntary contributions shared between member states. Under Article 17(2) of the U.N. Charter, the United Nations General Assembly calculates the assessed contributions of member states in order to finance the regular annual budgets of the U.N. and its specialized agencies.<sup>2</sup> Member states are also required to make assessed contributions to the peacekeeping budget, although these contributions are assessed at a different rate from the regular budget and require greater contributions from U.N. Security Council members. The General Assembly determines the level of each member state's assessed contribution using a complex formula. This formula is supposed to reflect each member state's "capacity to pay," based on the state's gross domestic product averaged over a base period of several years.<sup>3</sup>

The "capacity to pay" formula reflects the idea that, although each country has one vote in the General Assembly, poorer countries pay in proportion to their economic standing to finance the U.N. system. The amount of dues calculated is presented as a percentage of the U.N. regular budget, which member states are to pay each year until the rates of assessment are reviewed. For example, the current percentage contributions assess the United States as responsible for 22 percent of the U.N.'s regular budget, while Japan's contribution is 19.6 percent, Brazil's is 2.2 percent and Ethiopia's is 0.004 percent.<sup>4</sup>

The United States has always been responsible for a large portion of the U.N. regular budget. In the U.N.'s earliest days the U.S. contribution was a little less than 40 percent of the regular budget. The U.S. contribution decreased

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2. U.N. CHARTER, art. 17, para. 2 ("The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly").

3. Colum Lynch, *Turner offers \$35 Million to Help U.S. pay U.N. Dues*, WASH. POST, Dec. 21, 2000, at A1.

4. NEW ZEALAND MINISTRY OF FOREIGN AFFAIRS AND TRADE, THE UNITED NATIONS HANDBOOK, 364-66 (39th ed. 2001) [hereinafter UNITED NATIONS HANDBOOK].

over the last fifty years as part of a series of adjustments to the percentage contributions of many states designed to ensure that the scale of assessments accurately reflects “current global circumstances.”<sup>5</sup> In addition, alterations to the scale of assessed contributions which decreased the U.S. contribution and increased the contributions of other member states have resulted from independent negotiations between the United States and the U.N.

For example, in December 2000 the General Assembly agreed to revise the scale of assessments in response to U.S. pressure. Assessments had not been revised since 1972 and several countries’ contributions had not increased in line with their growing prosperity.<sup>6</sup> In addition to reassessing the contributions of other states, the United States argued that the U.N. should not be too dependent on any one member and called for its own assessment rate to be reduced to 22 percent of the general budget.<sup>7</sup> As a result of this discussion, a new ceiling rate was set at 22 percent to limit the maximum contribution from any one country to the regular budget.

As the U.S. State Department notes, the United States is the only member that pays this ceiling rate and all other members’ assessment rates are lower.<sup>8</sup> However, other commentators have pointed out that, in each of the instances where the scale of assessments was revised, as mentioned above, the United States was paying less than it would have had to under the “capacity to pay” formula.<sup>9</sup> The United States has consistently negotiated to lower its portion of the assessed contributions and, sometimes, has refused to pay its dues to achieve this end. The United States continues to be the only member state of the U.N. paying proportionately less in relation to its economic strength.<sup>10</sup>

The assessed contributions of member states to the U.N.’s regular budget vary widely. Almost eighty countries are assessed at a rate of only 0.01 percent, and two-thirds of U.N. members contribute a total of around 1 percent of the budget.<sup>11</sup> However, such details do not necessarily lend credence to the belief that the system for sharing the financial burden is unfairly weighed against the United States. The United States pays less than a large number of other states

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5. U.S. Department of State, *Fact Sheet: United Nations*, at <http://www.state.gov/p/io/rls/fs/2002/12955.htm> (Aug. 20, 2002).

6. Singapore and Israel used to pay about \$1 per head, despite higher levels of income per head, than countries, such as Ireland or New Zealand, which used to pay around \$3 per head. See Simon Broadbent, *Financing the United Nations: International Taxation Based on Capacity to Pay*, 157 NAT’L INST. ECON. REV. 77 (1996).

7. U.S. Department of State, *Fact Sheet: United Nations*, *supra* note 5.

8. *Id.* Other major contributors are assessed in the following way: Japan (19.6 percent), Germany (9.8 percent), France (6.5 percent), the U.K. (5.6 percent), Italy (5.1 percent), Canada (2.6 percent) and Spain (2.5 percent). UNITED NATIONS HANDBOOK, *supra* note 4, at 364-66.

9. See Richard W. Nelson, *International Law and U.S. Withholding of Payment to International Organizations*, 80 A.J.I.L. 973, 978 (1986).

10. For instance, the U.S. economy represents about 31 percent of the global economy yet only pays 22 percent of the regular budget. Many other countries actually pay more in assessments than their share of the global economy. U.S. Mission to the United Nations, *Fact Sheet: The United Nations—Myth and Reality of American Support*, at <http://www.un.int/usa/fact2.htm> (last modified Aug. 2002) [hereinafter U.S. Mission Fact Sheet]. There is significant evidence that this trend held true over recent years. Nelson, *supra* note 9, at 978.

11. Nelson, *supra* note 9, at 978 n. 18.

on a per capita income basis.<sup>12</sup> The U.S. contributes around \$5 per capita to the U.N. general budget annually, while some other countries pay more than \$7 per capita.<sup>13</sup>

It is worth noting that, while the amounts involved are trivial for many nations, the United States included, a handful of poor countries struggle to pay their contributions.<sup>14</sup> To put the amounts involved in a broader perspective, the total U.N. budget represents about 0.025 percent of the world's income. Total U.S. payments to the entire U.N. system, including payments to agencies such as the World Bank and the IMF, amount to less than one-quarter of one percent of the federal budget of the United States.<sup>15</sup>

### B. Buildup of U.S. Arrears

The United States has a twenty-year history of difficult relations with the U.N. regarding assessed contribution payments and has incurred millions of dollars of debt to the U.N. Arrears have accumulated primarily as a result of domestic limits set by Congress on contributions to the U.N., and continued congressional refusal to approve payments beyond those limits.

Problems began in the mid-1980s when the United States commenced paying its U.N. dues up to ten months late each year. As the U.S. contribution was a significant proportion of the total funds available to the U.N., these delays caused severe budgetary and cash flow problems for the whole organization.<sup>16</sup> The Secretariat had to increasingly depend on the other member states to pay their full assessments within the first nine months of the year but this did not always happen. To cover the shortfall, the U.N. resorted to internal borrowing from other member states.<sup>17</sup>

Since 1986 the United States has been responsible for 47 to 79 percent of the total U.N. regular budget arrears.<sup>18</sup> The United States began withholding 20 percent of its assessed contribution in 1985 after the passage of the Kassebaum-Solomon amendment.<sup>19</sup> This first set of U.S. arrears to the U.N. was withheld by Congress pending reform of the U.N. budget. Analysts note that withholding funding has since been frequently used as a U.S. bargaining tool in order to

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12. *Id.*

13. Broadbent, *supra* note 6, at 77.

14. In 2001, the United States paid about \$300 million as its share of the U.N.'s regular budget. Total U.S. contributions, including those for peacekeeping missions amounted to about 3.5 billion. U.S. Mission Fact Sheet, *supra* note 10. Analysts have concluded that "[f]or all but a handful of countries, it is that unwillingness rather than incapacity lies behind the failure to pay contributions." Broadbent, *supra* note 6, at 77.

15. U.S. Mission Fact Sheet, *supra* note 10.

16. United Nations Association of the United States of America, *Paying Our Dues on Time: A Plan to Restore U.S. Financial Leadership to the U.N.*, at <http://www.unausa.org/policy.newsaction/alerts/advocacy.duesfacts.asp> (Sept. 30, 2002).

17. *Id.*

18. Klaus Hüfner, Outstanding Debts to the U.N. Regular Budget (2001) (unpublished compiled data, Freie Universität Berlin), at <http://www.globalpolicy.org/finance/tables/tab5.htm> (last visited Feb. 21, 2003).

19. The relevant language can be found at Title I, sec. 143 of the Foreign Relations Authorization Act, Fiscal Years 1986-87, Pub. L. No. 99-93, 99 Stat. 424 (codified at 22 U.S.C. §287e note).

encourage the U.N. to reduce the U.S. portion of the scale of assessment or to reform “diplomatic and bureaucratic inefficiency.”<sup>20</sup>

However, the major source of recent U.S. debt to the U.N. comes from the 25 percent cap on peacekeeping contributions enacted in 1994 by Congress.<sup>21</sup> Since that time, the General Assembly continues to assess the contributions of the United States at a rate of 31 percent despite the congressional cap. This situation has increased the debt of the U.N. because the majority of the U.S. arrears are owed to member nations as reimbursements for their troop contributions to peacekeeping missions.

### C. Efforts To Get U.S. Arrears Under Control

By mid-1998, the United States was in danger of losing its vote in the U.N. General Assembly as a result of its failure to pay assessed dues. A provision in the U.N. Charter deprives member states of their voting rights if the amount of arrears equals or exceeds the amount of contributions due from it in the preceding two years.<sup>22</sup> The U.S. State Department calculated that U.S. arrears would reach such levels in 1999.<sup>23</sup>

The 1999 Helms-Biden legislation allowed for the payment of \$926 million in U.S. arrears to the U.N. and associated international organizations, \$100 million of which was made available immediately.<sup>24</sup> The remaining two payments—of \$582 million and \$244 million respectively—were made subject to certain conditions.<sup>25</sup> These conditions included a large reduction in the financial burden of the United States, extensive reform of the U.N. bureaucracy, and “zero-growth” restrictions on the U.N. budget. This means that the U.N. cannot increase its budget even to keep up with inflation.

In late December 2000, the U.N. agreed to reduce the U.S. share of the assessed contributions and comply with most of the conditions set out in Helms-Biden. Buoyed by concessions from other member states and a large donation of \$34 million from a private U.S. donor, President Clinton’s Ambassador to the U.N., Richard Holbrooke, lobbied successfully to make the legislation acceptable to the U.N.<sup>26</sup> Consequently, the United States is now responsible for 22

20. Stacy Williams, *A Billion Dollar Donation: Should the United Nations Look a Gift Horse in the Mouth?*, 27 GA. J. INT’L & COMP. L. 425, 433-34 (1999).

21. Foreign Relations Authorization Act, Fiscal Years 1994-95, Pub. L. 103-236, Title IV, Part A, § 404(b)(2), 108 Stat. 447.

22. U.N. CHARTER, art. 19.

23. However, the United States would still retain its vote on the U.N. Security Council. See Frederic Kirgis, *United States Dues: Arrearages in the United Nations and Possible Loss of Vote in the U.N. General Assembly*, ASIL INSIGHTS (July 1998), at <http://www.asil.org/insights/insigh21.htm>.

24. The Helms-Biden agreement is contained in the Foreign Affairs Reform and Restructuring Act of 1998, H.R. 1757, 105th Cong. (1998).

25. United Nations Association of the United States of America, *Congress Adopts State Authorization Conference Report; Provides Final Arrears Payment Under Helms-Biden*, at <http://www.unausa.org/policy/newsactionalerts/info/dc093002.asp> (Sept. 30, 2002) [hereinafter United Nations Association].

26. Media magnate, Ted Turner, offered the \$34 million to the U.S. State Department to help cover the gap between the proposed changes and the other member states to increased payments to

percent—down from 25 percent—of the regular budget and 26.5 percent—down from 31 percent—of the peacekeeping budget.<sup>27</sup>

The Helms-Biden deal did not cover all the arrears owed by the United States to the U.N. Even though the United States concedes that it is in substantial arrears, a long standing dispute continues between the United States and the U.N. as to the exact amounts involved. There are also internal domestic disagreements between the U.S. executive branch and Congress as to the amount involved. Even after the Helms-Biden deal, the United States continued to incur arrears for its peacekeeping contributions due to the 25 percent cap imposed by Congress. Congress refused to authorize payments beyond this cap and the U.N. continued to bill the U.S. in accordance with the Holbrooke deal. This gradually reduced the U.S. peacekeeping contribution to 26 percent over several years.

### III.

#### FUNDING AND THE BUSH ADMINISTRATION

##### A. *Uncertain Beginnings*

Whilst never explicitly dismissive of the deal to secure U.N. arrears payments, the Bush administration did not expend much political capital on this issue in the first months of the administration. The new administration continued to accumulate arrears to the U.N. because of the 25-percent cap on peacekeeping dues. Congress authorized the second payment under Helms-Biden in February 2001.<sup>28</sup> However, the House of Representatives delayed this payment by eight months, not passing the necessary legislation until after September 11. Other overdue payments under Helms-Biden remained unaddressed as the congressional caps still applied.<sup>29</sup>

In early 2001, it was apparent that the U.N.'s increasingly grave financial crisis was linked to U.S. overdue payments. There was a growing sense of disappointment among the international community that the Holbrooke-brokered arrears deal was not being taken seriously. Consequently, in March 2001, several member states released a statement urging the United States to pay its dues on time, in full and without conditions.<sup>30</sup> This disappointment was especially acute since other states had agreed to lower U.S. contributions under the Holbrooke deal on the understanding that the United States would pay its remaining arrears in a timely manner.<sup>31</sup> German deputy ambassador Schumacher de-

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cover the shortfall. Turner was also responsible for a \$1 billion gift to the U.N. in 1998 for humanitarian projects. See Reuters, *Informal Deal Reached on Cutting U.S. Dues to U.N.* (Dec. 22, 2000), available at <http://www.globalpolicy.org/finance/docs00/1222.htm>.

27. Global Policy Forum, *Chronology of the U.N. Financial Crisis: July-December, 2000*, at <http://www.globalpolicy.org/finance/chronol/fin2000b.htm> (last visited Feb. 21, 2003).

28. The first payment of \$100 million was made in late 1999.

29. Global Policy Forum, *Chronology of the U.N. Financial Crisis: January-July, 2001*, at <http://www.globalpolicy.org/finance/chronol/fin2001a.htm> (last visited Feb. 21, 2003).

30. *Member States Critical of Delay in Promised Payments from United States in Fifth Committee*, U.N. GAOR, 5th Comm., 46th sess., U.N. Doc. GA/AB/3430 (2001).

31. Steven Fidler & Carola Hoyos, *Loss of Seat Sour America's Relations with the U.N.*, *FIN. TIMES* (London), May 11, 2001, at 4.

scribed how "all the member states are frustrated that not one penny has yet been paid."<sup>32</sup>

The perception of Congress dragging its feet on funding, and the Bush administration's complicity in the delay, raised questions of how seriously the new administration was taking the U.N.<sup>33</sup> Commentators described President George W. Bush's "general dismissiveness[sic] of the U.N.," citing particularly the decision to downgrade the position of United Nations Ambassador by depriving it of cabinet rank.<sup>34</sup> In August 2001, the U.S. General Accounting Office reported that U.S. citizens get fewer jobs than expected at the U.N. and concluded there is a lack of prestige attributed to service in the U.N. as the Organization "is perceived as having diminished importance in Washington."<sup>35</sup>

In May 2001, the United States was voted off the Human Rights Commission for the first time since its inception in 1947. The House of Representatives immediately responded by voting to withhold U.S. back dues payments unless the United States was restored to the Commission. Representative Tom Lantos from California argued the vote was a "reasonable response to an outrage that was perpetrated."<sup>36</sup> The Bush administration opposed the amendment arguing the loss of the Commission seat should not be linked to arrears payments. However, many blamed the administration's failure to engage with "the horse trading that is typical of U.N. negotiations" for the loss of the seat and characterized the vote as a backlash against the United States for retreating from multilateral treaties and organizations.<sup>37</sup> Jeanette Ndhlovu, a senior South African diplomat, said many of her colleagues were asking with regard to the United States: "Why should we vote for them to be on the Human Rights Commission when they don't care about other important issues that are of concern to all of us?"<sup>38</sup>

The absence of a full time U.S. ambassador to the U.N further limited that U.S. position.<sup>39</sup> Although the Bush administration announced their candidate, John Dimitri Negroponte, in early March, his confirmation faced an unusual delay and did not occur until September 14, 2001.<sup>40</sup> While Negroponte's nomi-

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32. Elizabeth Neuffer, *U.S.-U.N. Relations Seen Worsening*, THE BOSTON GLOBE, May 10, 2001, at A8.

33. *Id.*

34. Carola Hoyos & Michael Littlejohns, *Rift Grows Between Washington and U.N. Human Rights Commission US Loss of Seat Prompts Moves that Could Derail Payments of Arrears Owed to Organization*, FIN. TIMES (London), May 5, 2001, at 8.

35. Colum Lynch, *Americans Get Too Few U.N. Jobs*, GAO Finds, THE WASH. POST, Aug. 12, 2001, at A11.

36. Bill Nichols, *House Votes to Withhold U.N. Dues: Members Want USA Back on Rights Panel*, USA TODAY, May 11, 2001, at 8A.

37. Neuffer, *supra* note 32.

38. Lynch, *supra* note 35.

39. Bill Nichols, *Tension Returns to U.S. Relationship with U.N.*, USA TODAY, Sept. 11, 2001, at 8A.

40. Of over ninety nominations made to both foreign and domestic positions by the Bush administration during the month of March, Negroponte was one of a select few to be confirmed as late as September 2001. The Bush administration announced nominations for three positions on March 6, 2001: Representative of the United States to the U.N., U.S. representative to the General Assembly of the U.N., and the U.S. representative to the Security Council of the U.N. The first of these nominations was sent to the Senate for confirmation on May 14, 2001. The other two positions were



nation was controversial and delayed in part by the objections of Democratic senators, analysts argued that the White House did little to press for his Senate confirmation.<sup>41</sup> Although the leadership vacuum for the U.S. mission to the U.N. may have been undesirable, even after his confirmation most U.N. supporters did not view him as an ideal ambassador. His reputation, even among U.S. diplomats who served with him on previous postings, was for “doggedly defending U.S. interests overseas” and for “making sure human rights don’t get in the way.”<sup>42</sup>

In August 2001, Republican leaders in the House of Representatives again threatened to withhold payment of U.N. arrears in an attempt to tie the payments to a bill exempting U.S. military personnel from the jurisdiction of the International Criminal Court.<sup>43</sup> Further, the House had not yet approved the second payment under Helms-Biden. Thus, by late August 2001, despite the opportunity available to the new administration to largely resolve arrears conflicts under Helms-Biden, U.S.-U.N. funding relations were at an all-time low. Indeed, the U.S. owed by far the largest proportion of dues to the U.N. budget.<sup>44</sup> Analysts suggested the Bush administration had “squandered” an opportunity to follow through on the Holbrooke-brokered deal to pay U.S. arrears.<sup>45</sup> As Derek Chollet, former aide to Richard Holbrooke, argued of the deal: “[I]t was a no-brainer. But [the administration] didn’t follow through.”<sup>46</sup>

### B. Arrears after September 11

September 11 dramatically changed the scope of the debate regarding payment of U.N. dues. The terrorist attacks amplified the desirability of a strong and cooperative U.N. Even in the U.S. Congress, California Representative Tom Lantos altered his stance toward U.N. arrears payments, arguing that “we cannot ask the United Nations to bring freedom to difficulties-possessed people, battle terrorism, resolve international conflicts and conduct extensive peacekeeping operations, and yet fail to pay our dues.”<sup>47</sup>

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not sent to the Senate for confirmation until September 4, 2001. All three positions were confirmed by the Senate on September 14, 2001. In contrast, the U.S. ambassador to the U.K. was nominated in March, sent to the Senate for confirmation in May and confirmed in July, while the ambassadors to Singapore and Cyprus were nominated in June and confirmed by August 1. See Bush Administration Nominations by Date, at <http://www.whitehouse.gov/news/nominations/index-date.html> (last visited Feb. 21, 2003).

41. Neuffer, *supra* note 32.

42. See Foreign Policy in Focus, *Profile of John Negroponte*, at [http://www.foreignpolicy-in-focus.org/republicanrule/officials\\_body.html#negroponte](http://www.foreignpolicy-in-focus.org/republicanrule/officials_body.html#negroponte) (last visited Feb. 21, 2003).

43. Steven Mufson & Alan Sipress, *U.N. Funds in Crossfire Over Court: Exemption Sought for U.S. Troops*, THE WASH. POST., Aug. 16, 2001, at A1.

44. Global Policy Forum, *Chronology of the U.N. Financial Crisis: July-December, 2001*, at <http://www.globalpolicy.org/finance/chronol/fin2001b.htm> (last visited, Feb. 21, 2003).

45. See Nichols, *Tension Returns*, *supra* note 39.

46. *Id.*

47. JOHN BURROUGHS ET AL., RULE OF POWER OR RULE OF LAW? AN ASSESSMENT OF U.S. POLICIES AND ACTIONS REGARDING SECURITY-RELATED TREATIES 34 (Apr. 2002) (unpublished manuscript of Institute for Energy and Environmental Research and Lawyer’s Committee on Nuclear Policy).

After September 11, the domestic conflicts which had long delayed the second payment of arrears under Helms-Biden were alleviated. Within a month of the tragedy, the House unanimously approved legislation authorizing the second payment of \$582 million to the U.N. After signing the payment bill on October 6, President Bush issued a statement referring to the "close bond" between the U.N. and the United States.<sup>48</sup> In addition, Ted Turner's contribution of \$34 million arrived at the U.N. along with promises from the United States to pay another half a billion dollars for peacekeeping arrears in addition to its dues for the 2001 regular budget.<sup>49</sup>

In a press briefing one month after September 11, U.N. Under Secretary-General for Management Joseph Connor said that the United States had informed the U.N. that it would receive a total of \$1.666 billion from the United States in 2001. This total included both arrears payments and the assessed contributions for the 2001 period.<sup>50</sup> He noted that the U.N. expected to receive around \$3.05 billion from other member states for the 2001 period and that most of this total had already been received. Most of the \$1.666 billion promised by the United States was expected after October 2001.<sup>51</sup> Connor stated that the long-awaited funds would be used immediately to repay forty-eight member states for their claims arising out of fourteen peacekeeping missions.<sup>52</sup>

In late November 2002, the United States made the third and final payment of arrears to the U.N. and associated agencies. A total of \$244 million was due, \$30 million of this was intended for peacekeeping arrears and the remainder was to meet longstanding U.S. arrears to several specialized agencies, including the World Health Organization and the International Labor Organization. These payments were conditional on the implementation of various reforms of the specific agencies, such as lowering the U.S. funding contribution to 22 percent. However, as with arrears to the U.N. regular budget, payment was delayed even after these conditions were met.<sup>53</sup>

In October 2002 Congress passed legislation to temporarily lift the cap of 25 percent on peacekeeping dues. This cap has been the main source of U.S. arrears to the United Nations since the mid 1980s and was unresolved by the Holbrooke agreement. The 2002-03 State Department Authorization Act<sup>54</sup> contains a provision that lifts the cap on a temporary basis in order for the United States to meet what it considers to be its obligations under the revised scale of assessments.<sup>55</sup> However, this legislation remains only a stopgap because its

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48. See Associated Press, *U.S. to Make Second Dues Payment to U.N.* (Oct. 6, 2001), available at <http://www.globalpolicy.org/finance/unitedstates/2001/1006bush.htm>.

49. Press Release, United Nations, U.N. Headquarters Briefing by Under Secretary-General for Management (Oct. 15, 2001), available at [http://www.un.org/News/briefings/docs/2001/connor\\_brf3.doc.htm](http://www.un.org/News/briefings/docs/2001/connor_brf3.doc.htm).

50. *Id.*

51. *Id.*

52. *Id.*

53. See, e.g., United Nations Association, *supra* note 25.

54. H.R. 1646, 107th Cong. (2002).

55. *Id.*

provisions allow the cap to return in 2004 and at that time the United States will start accumulating arrears.

#### IV.

##### FURTHER IMPLICATIONS OF U.S.-U.N. FUNDING RELATIONS

###### A. *Implications for the U.N.*

The United States is not the only U.N. member to have withheld assessed contributions. However, it is in a league of its own for withholding the most and for making payment conditioned on specific policies.<sup>56</sup> U.S. policies have in many instances caused severe financial difficulties for the U.N. Frequently, other member countries take on the burden of paying early or accepting debts from the U.N. when the Organization is unable to pay members for their participation in peacekeeping operations. The U.N. continues to function, despite these financial difficulties because of the "sufferance" shown by the other members, primarily the European states, who mostly pay in full and on a timely basis.<sup>57</sup>

The U.S. attitude towards the U.N. puts the Organization in a difficult situation. Unreliable payments from the United States impede the effectiveness of the U.N.'s primary activities, including peacekeeping. In addition, within the United States, the U.N.'s "success" or "relevance" is often conditioned on the Organization's compliance with U.S. expectations. Prior to September 11, when U.S. expectations were not fulfilled, most notably when the United States was voted off the Human Rights Commission, many domestic politicians were ready to use dues payments as a bargaining chip and treat the U.N. dismissively.<sup>58</sup> In such circumstances, the U.N. found itself constrained by a need to balance complying with U.S. expectations and retaining its autonomy as an organization.

Given the political and economic importance of the United States to the viability of the U.N., it seems clear that other member states need to respond to U.S. preferences so as to avoid provoking complete disengagement by the U.S. However, the U.N. is more likely to lose "relevance" as an organization if it is seen to simply rubber-stamp those preferences.<sup>59</sup> For example, after leading protracted Security Council negotiations with the United States in late 2002 regarding a resolution on Iraq, French ambassador to the U.N. Jean-David Levitte stated that "we want the United States in."<sup>60</sup> Member states made significant

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56. Since 1986 the United States has been responsible for between forty-seven and seventy-nine percent of the total U.N. regular budget arrears. See H?fner, *supra* note 18.

57. Williams, *supra* note 20, at 433.

58. Representative from Illinois and Chairman of the House International Relations Committee, Henry Hyde, responded to the U.S. loss of its seat on the Human Rights Commission by framing the event as "a deliberate attempt to punish the U.S. for its insistence that the commission tell the truth about human rights abuses wherever they occur." He argued that the decision "may have the unfortunate result of turning the Human Rights Commission into just another irrelevant international organisation." Hoyos & Littlejohns, *supra* note 34, at 8.

59. *Id.*

60. James Traub, *Who Needs the U.N. Security Council?*, N.Y. TIMES MAGAZINE, NOV. 17, 2002, § 6, at 47.

efforts to appease the United States, for instance by assuring them election onto the Human Rights Commission in March 2002. Spain and Italy withdrew their candidacies prior to the election, meaning the United States did not even have to compete for the seat, thereby averting the risk of another “humiliating defeat for the Bush administration” in multilateral diplomacy.<sup>61</sup>

### B. Implications for the U.S.

Participation in and funding of the U.N. are an important part of policy for a government which values multilateralism and cooperation with other states. Domestic hostility in the United States towards the U.N. became particularly visible after 1994 when the Republicans won control of Congress. A large portion of Senators tend to view the United Nations as redundant in the face of U.S. primacy in international politics.<sup>62</sup> In the first months of the Bush administration’s term, its attitude towards the U.N. had more in common with that of the mid-1990s Senate than previous administrations. Administration officials were disengaged from the U.N. at best, or at worst, as Cato Institute foreign policy analyst Ted Galen Carpenter suggested, they “barely tolerated the United Nations.”<sup>63</sup>

After September 2001, this attitude seemed to shift to a greater emphasis on U.N. participation. Analysts suggested that “only yesterday, it seems, the great issue was getting an increasingly disengaged United States to pay its back dues and pay attention; now the problem is keeping an aroused America from sallying off on . . . a reckless crusade.”<sup>64</sup> President Bush emphasized how important it was for the United Nations to “assume its responsibilities” and “be a successful international body, because the threats that we face now require more cooperation than ever.”<sup>65</sup>

Multilateralism is a value which has been increasingly emphasized by the Bush administration after September 11. A senior administration official described the process of negotiating U.N. Security Council Resolution 1441 regarding Iraq as “two months [of] banging your head against the wall in New York . . . It’s not fun. Multilateralism is not easy. But it is necessary.”<sup>66</sup> President Bush has also made statements identifying the U.N. as “the world’s most important multilateral body.”<sup>67</sup> However, at the time of this writing in February 2003, it is by no means clear that the Bush administration’s new-found commitment to multilateralism will be maintained with regard to Iraq.<sup>68</sup>

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61. Colum Lynch, *U.S. to Regain Seat on U.N. Right Panel; Diplomats See Presence On Commission as Vital*, THE WASH. POST, Mar. 15, 2002, at A17.

62. David Wedgwood Benn, *Why the U.S. Still Needs Friends*, FIN. TIMES (London), Oct. 13, 2001, at 9.

63. Nichols, *Tension Returns*, *supra* note 39.

64. Traub, *supra* note 60, at 47.

65. Sonni Efron, *Diplomacy Gives Bush the Upper Hand Against Iraq*, L.A. TIMES, Nov. 8, 2002, at A6.

66. *Id.*

67. President George W. Bush, Remarks at the United Nations General Assembly, 38 WEEKLY COMP. PRES. DOC. 1529 (Sept. 12, 2002).

68. See Allison Ehlert, *Iraq: At the Apex of Evil*, 21 BERKELEY J. INT’L L. 731 (2003).

However, U.S. funding of the U.N. remains both a practical and symbolic measure of the U.S. commitment to the U.N. As a recent U.S. bipartisan task force report concluded, mixed signals toward the U.N. erode U.S. status and influence within the Organization.<sup>69</sup> As this paper demonstrates, the erratic nature of U.S. funding for the U.N. has been a major source of tensions between the United States and the U.N. If the administration's renewed enthusiasm for multilateralism and the U.N.'s central role therein is genuine, one would expect the administration to work hard to resolve outstanding arrears in order to secure the financial viability of this Organization. As Williams Luers, President and CEO of the United Nations Association of the United States of America, has pointed out "the U.N. is only as effective as its most powerful member wants it to be."<sup>70</sup>

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69. Julia Preston, *Panel Says Mixed Signals Have Eroded U.S. Status in the U.N.*, N.Y. TIMES, Oct. 10, 2002, at A2.

70. William Luers, *U.N.'s Relevance Pays Off*, USA TODAY, Dec. 5, 2002, at 22A.