

ISSUE BRIEF

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Diplomatic Effort to Reduce America's Peacekeeping Dues Must Start Now

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The Trump Administration has repeatedly stated its desire to lower the amount that America pays for the United Nations peacekeeping budget to 25 percent in compliance with U.S. law enacted under President Bill Clinton in 1994. President Trump reiterated this objective in his September speech to the U.N. stating that the “United States bears an unfair cost burden” and “that no nation should have to bear a disproportionate share of the burden, militarily or financially.”¹

The Trump Administration is correct to call for changes. However, convincing the other U.N. member states to adopt a maximum peacekeeping assessment of 25 percent will not be easy. In practical terms, this means reducing the U.S. assessment from nearly 28.5 percent to 25 percent. This is equivalent to more than \$250 million each year that will have to be paid by the other 192 U.N. member states.

Simply announcing the goal is insufficient. Securing a 25 percent peacekeeping assessment by December 2018 for the 2019–2021 scale of assessments will require sustained diplomatic effort led by the U.S. Mission in New York, timely engagement and pressure by the State Department and the White House, and congressional resolve in enforcing the cap on peacekeeping contributions until a maximum assessment of 25 percent is adopted.

History of the U.S. Peacekeeping Assessment

Reducing the amount that America pays for the United Nations peacekeeping budget to 25 percent has been a long-term objective of the U.S. In 1993, President Bill Clinton stated before the U.N. General Assembly, “United Nations operations must not only be adequately funded but also fairly funded.... [O]ur rate should be reduced to reflect the rise of other nations that can now bear more of the financial burden.”² The following year President Clinton signed a law capping U.S. peacekeeping payments at 25 percent of those expenses.

The U.N.'s charging the U.S. more than 30 percent at the time led to large arrears. The resulting financial stress was a critical factor in the U.N. and the other member states agreeing to a new peacekeeping assessment formula and other reforms outlined in the Helms–Biden legislation in return for payment of U.S. arrears.³ Although the U.S. rate did not go down to 25 percent immediately, Ambassador Richard Holbrooke testified to the Senate in 2001, “The U.S. rate will continue to progressively decline, and we expect that it will reach 25 percent by roughly 2006 or 2007.”⁴ Sadly, Holbrooke's prediction was wrong. By 2009, the U.S. share had fallen to less than 26 percent; however, starting in 2010, the U.S. assessment began to rise again.

The failure to lower the U.S. assessment to 25 percent has cost U.S. taxpayers hundreds of millions of dollars each year because Congress has repeatedly approved payments over 25 percent in continuing resolutions and omnibus appropriations bills.⁵ Worse, these repeated payments in excess of the 25 percent cap were interpreted by other U.N. mem-

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ber states as a weakening in U.S. resolve to lower its peacekeeping assessment. The U.S. assessment successively increased in each of the three scales of assessment adopted under the Obama Administration.⁶ Currently, the U.S. peacekeeping assessment is 28.4691 percent.⁷

An Issue of Fairness and Oversight

Under President Trump, the U.S. has made clear that it regards the U.S. peacekeeping assessment as excessive and will enforce U.S. law capping America's peacekeeping contributions at 25 percent.

- Ambassador Nikki Haley stated during her confirmation hearing and after that the U.S. contribution to the peacekeeping budget was too high and should be lowered to 25 percent.⁸
- The President's budget blueprint stated that "the U.S. would not contribute more than 25 percent for U.N. peacekeeping costs."⁹
- Congress supported the budget objective and, for the first time in years, did not override the 25 percent cap in its appropriations for fiscal years (FY) 2017 and 2018.

- President Trump made clear in his U.N. address that reducing America's peacekeeping assessment is a priority.¹⁰

The Trump Administration is correct to pursue this goal. Under the current scale of assessments, the U.S. is charged more for the peacekeeping budget than 185 other U.N. member states *combined* and more than all of the other permanent members of the Security Council *combined*.

U.N. assessments are based on the "capacity to pay" meaning that wealthier countries should bear more of the financial costs of the U.N. than poorer nations. To reflect this, low-income countries receive significant discounts for their assessments for the U.N. regular budget. The peacekeeping assessment is based on the regular budget assessment, but three-quarters of U.N. member states receive additional discounts as high as 90 percent to their peacekeeping assessment.

As a result of these double discounts, peacekeeping assessments are absurdly low for some countries. Specifically, some governments pay less than \$8,000 for U.N. peacekeeping while the U.S. is charged over \$2 billion. Although it is reasonable for wealthier countries to pay more, the notion of capacity to pay

1. President Donald Trump, "Remarks to the 72nd Session of the United Nations General Assembly," September 19, 2017, <https://usun.state.gov/remarks/7983> (accessed October 31, 2017).

2. U.N. General Assembly, "Official Records of the Forty-Eighth Session," A/48/PV.4, September 27, 1993, p. 11, http://www.un.org/ga/search/view_doc.asp?symbol=A/48/PV.4 (accessed October 31, 2017).

3. Vita Bite, Marjorie Ann Brown, and Lois McHugh, "U.N. Funding, Payment of Arrears and Linkage to Reform: Legislation in the 105 Congress," Congressional Research Service 97-711 F, updated April 24, 1998, <http://research.policyarchive.org/440.pdf> (accessed October 31, 2017), and Christopher Marquis, "Satisfied With U.N. Reforms, Helms Relents on Back Dues," *The New York Times*, January 10, 2001, <http://www.nytimes.com/2001/01/10/world/satisfied-with-un-reforms-helms-relents-on-back-dues.html> (accessed October 31, 2017).

4. Richard C. Holbrooke, U.S. Permanent Representative to the United Nations, testimony before the Committee on Foreign Relations, U.S. Senate, January 9, 2001, <https://www.gpo.gov/fdsys/pkg/CHRG-107shrg71537/pdf/CHRG-107shrg71537.pdf> (accessed October 31, 2017).

5. Brett D. Schaefer, "U.S. Must Enforce Peacekeeping Cap to Lower America's U.N. Assessment," Heritage Foundation *Backgrounder* No. 2762, January 25, 2013, <http://www.heritage.org/research/reports/2013/01/us-must-enforce-peacekeeping-cap-to-lower-americas-un-assessment>.

6. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of United Nations Peacekeeping Operations: Implementation of General Assembly Resolutions 55/235 and 55/236," Report of the Secretary-General, A/70/331/Add.1, December 28, 2015, http://www.un.org/en/ga/search/view_doc.asp?symbol=A/70/331/add.1 (accessed October 31, 2017).

7. *Ibid.*

8. Hearing, *On the Nomination of Gov. Haley to be U.S. Ambassador to the United Nations*, Foreign Relations Committee, U.S. Senate, January 18, 2017, http://www.thisweekinimmigration.com/uploads/6/9/2/2/69228175/hearingtranscript_senateforeignrelationshaleyconfirmationhearing_2017-01-18.pdf (accessed October 31, 2017), and Kambiz Foroohar and Terrence Dopp, "Republicans Press Haley Over 'Devastating' Cuts to UN Budget," *Bloomberg*, June 27, 2017, <https://www.bloomberg.com/news/articles/2017-06-27/republicans-press-haley-over-devastating-cuts-to-un-budget> (accessed October 31, 2017).

9. Office of Management and Budget, *America First: A Budget Blueprint to Make America Great Again*, https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf (accessed October 31, 2017).

10. President Donald Trump, "Remarks to the 72nd Session of the United Nations General Assembly."

TABLE 1

United Nations Scale of Assessments for 2017

	REGULAR BUDGET		PEACEKEEPING BUDGET	
	Percent	Dollars	Percent	Dollars
Total		\$2,776,529,900		\$7,338,644,900
Permanent Members of the U.N. Security Council				
China	7.921	\$219,928,933	10.2502	\$752,225,780
France	4.859	\$134,911,588	6.2878	\$461,439,314
Russia	3.088	\$85,739,243	3.996	\$293,252,250
United Kingdom	4.463	\$123,916,529	5.7753	\$423,828,759
United States	22.000	\$610,836,578	28.4691	\$2,089,246,155
Other Notable Contributors				
Australia	2.337	\$64,887,504	2.3370	\$171,504,131
Brazil	3.823	\$106,146,738	0.7646	\$56,111,279
Canada	2.921	\$81,102,438	2.921	\$214,361,818
Germany	6.389	\$177,392,495	6.389	\$468,866,023
India	0.737	\$20,463,025	0.1474	\$10,817,163
Iran	0.471	\$13,077,456	0.0942	\$6,913,003
Israel	0.43	\$11,939,079	0.43	\$31,556,173
Italy	3.748	\$104,064,341	3.748	\$275,052,411
Japan	9.680	\$268,768,094	9.6800	\$710,380,826
Saudi Arabia	1.146	\$31,819,033	0.9932	\$72,887,421
South Africa	0.364	\$10,106,569	0.0728	\$5,342,533
Lowest assessment (32 Countries Regular Budget, 18 Countries Peacekeeping Budget)	0.001	\$27,765	0.0001	\$7,339
Notable Groupings				
Least assessed 178 countries*	21.372	\$593,399,970	13.1309	\$963,630,123
Least assessed 185 countries**	37.852	\$1,050,972,098	25.4045	\$1,864,346,044
Geneva Group (16 countries)	69.927	\$1,941,544,063	78.0828	\$5,730,219,420
G-77 (133 countries)	21.856	\$606,838,375	15.2492	\$1,119,084,638
G-77 without China	13.935	\$386,909,442	4.9990	\$366,858,859
NAM (119 countries)	9.178	\$254,829,914	3.9510	\$289,949,860
OIC (56 countries)	6.288	\$174,588,200	3.0002	\$220,174,024

* Based on regular budget assessment ** Based on peacekeeping assessment

NOTES:

- The regular budget amount is half of the biennial budget for 2016 and 2017 as adjusted mid-biennium in December 2016.
- The peacekeeping budget amount is the sum of half of the approved resources for July 1, 2016–June 30, 2017 and half of the approved resources for July 1, 2017–June 30, 2018.
- The Geneva Group is comprised of countries contributing at least 1 percent of the U.N. regular budget and who share a common view on administrative and budgetary matters. Membership is Australia, Belgium, Canada, France, Germany, Japan, Italy, Mexico, the Netherlands, Russia, South Korea, Spain, Sweden, Switzerland, Turkey, the U.S. and the U.K.

SOURCES:

U.N. General Assembly, "Approved Resources for Peacekeeping Operations for the Period from 1 July 2016 to 30 June 2017," A/C.5/70/24, June 22, 2016, http://www.un.org/ga/search/view_doc.asp?symbol=A/C.5/70/24 (accessed October 31, 2017); U.N. General Assembly, "Approved Resources for Peacekeeping Operations for the Period from 1 July 2017 to 30 June 2018," A/C.5/71/24, June 30, 2017, http://www.un.org/ga/search/view_doc.asp?symbol=A/C.5/71/24 (accessed October 31, 2017); U.N. General Assembly, "Assessment of Member States' Contributions to the United Nations Regular Budget

- The G-77 is comprised of 133 countries and the "State of Palestine." Full membership list available at The Group of 77, "The Member States of the Group of 77," <http://www.g77.org/doc/members.html>.
- The NAM is comprised of 119 countries and "Palestine." Membership list available at 16th Summit of the Non-Aligned Movement, "NAM Members & Observers," May 2012, <https://web.archive.org/web/20140208210716/http://nam.gov.ir/Portal/Home/Default.aspx?CategoryID=27f3fbb6-8a39-444e-b557-6c74aae7f75f>.
- The OIC is comprised of 56 countries and "Palestine." Full membership list available at Organisation of Islamic Cooperation, "Members," <http://www.oic-oci.org/oicv2/states/>.

for the Year 2017," ST/ADM/SER.B/955, December 28, 2016, https://www.un.org/ga/search/view_doc.asp?symbol=ST/ADM/SER.B/955 (accessed October 31, 2017); and U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of United Nations Peacekeeping Operations: Implementation of General Assembly Resolutions 55/235 and 55/236," Report of the Secretary-General, A/70/331/Add.1, December 28, 2015, http://www.un.org/en/ga/search/view_doc.asp?symbol=A/70/331/add.1 (accessed October 31, 2017).

should not be abused, leading to a situation where 10 countries pay over three-quarters of the U.N. peacekeeping budget.

Moreover, even countries with per capita gross national incomes above the world average according to the World Bank—such as Barbados, Brazil, Brunei, Chile, Czech Republic, Poland, Qatar, Singapore, Turkey, and the UAE—receive discounts between 7.5 percent and 80 percent for their peacekeeping assessment versus their regular U.N. budget assessment.¹¹

The cost of these discounts—known as a “premium”—are applied proportionally on the permanent members of the U.N. Security Council with the justification that these governments have more say in approving peacekeeping operations. However, no peacekeeping operation can be approved without support from non-permanent Security Council members, but non-permanent members do not assume any part of the cost of the premium.

Since the earliest days of the U.N., the U.S. was concerned that relying too heavily on one nation to pay for the expenses of the organization ran counter to principle of sovereign equality of nations upon which the U.N. was based.¹² Beyond this matter, the situation is problematic for U.N. accountability and effectiveness. When countries pay a pittance to the U.N. budget, it undermines their incentive to fulfill their oversight role and make sure that contributions from all countries are used well and not squandered.

U.N. peacekeeping is important and can serve U.S. interests. But it also serves the interests of other U.N. member states and it is not unreasonable for the U.S. to ask those states to step up their commitment—especially since the U.S. would still pay 25 percent of the bill.

A Difficult Lift

The U.N. scale of assessments is a zero-sum game. In order for the U.S. assessment to fall, the assessments for other countries must rise. Negotiating

the previous reduction in the U.S. assessment took months of skillful, tough diplomatic negotiations led by Ambassador Richard Holbrooke, backed by the financial pressure of nearly \$1 billion in U.S. arrears. Reducing the U.S. peacekeeping assessment to 25 percent will require similar effort over the next year. Specifically, the U.S. should:

- **Initiate discussions between the U.S. mission to the U.N. and other U.N. missions on adjusting the peacekeeping assessment.** The goal of the U.S. is clear: to implement a maximum peacekeeping assessment of 25 percent. The difficult part is offsetting the cost. Numerous options exist to reallocate peacekeeping costs.¹³ Peacekeeping benefits all U.N. member states and it is entirely reasonable for the U.S. to call on upper-middle-income and high-income countries that have the capacity to pay to pay more and forego peacekeeping assessment discounts. Similarly, non-permanent Security Council member states should bear a portion of the premium cost as they have an instrumental role in approving operations. Both options, as well as discussions on other changes, will take time. The U.S. needs to begin immediately if it is to conclude negotiations before the scale of assessment for 2019–2021 is adopted in December 2018.
- **Avoid restricting diplomatic engagement to New York.** For most countries, compromises and final decisions will be made by foreign ministers or heads of government. Although discussions need to be initiated and pursued in Turtle Bay, success will require involvement and support from U.S. ambassadors to individual countries and occasional intervention by the Secretary of State and the White House to overcome diplomatic obstacles.
- **Enforce the 25 percent cap on U.S. contributions to U.N. peacekeeping.** For the first time

11. World Bank, “Data: GNI per Capita, Atlas Method (Current US\$),” <https://data.worldbank.org/indicator/NY.GNP.PCAP.CD> (accessed October 31, 2017), and U.N. General Assembly, “Scale of Assessments for the Apportionment of the Expenses of United Nations Peacekeeping Operations.”

12. J. David Singer, *Financing International Organization: The United Nations Budget Process* (The Hague: Martinus Nijhoff, 1961), and Congressional Record, U.S. Senate, July 27, 1945, Rec. 8033, pp. 8118–8119.

13. See, for instance, Brett D. Schaefer, “The U.S. Should Push for Fundamental Changes to the United Nations Scale of Assessments,” Heritage Foundation *Backgrounder* No. 3023, June 11, 2015, <http://www.heritage.org/report/the-us-should-push-fundamental-changes-the-united-nations-scale-assessments>.

in years, Congress has not overridden the 1994 law capping U.S. peacekeeping payments at 25 percent. As a result, the U.S. will be in arrears in FY 2017 and FY 2018. As the 1990s demonstrated, leveraging payment of arrears in return for reform of the U.S. assessment can be an effective tactic when combined with a determined and creative diplomatic effort. The U.S. should continue to withhold the difference between its peacekeeping assessment and the 25 percent cap and not pay the resulting arrears until the U.N. implements a maximum peacekeeping assessment of 25 percent.

Conclusion

Reducing America's peacekeeping assessment to 25 percent will be difficult, but the Trump Administration is right to pursue this bipartisan goal first launched under President Clinton. Making progress will require financial leverage and strong diplomatic leadership in New York backed by robust bilateral engagement from the State Department and the White House. However, such negotiations take time, so the Administration should immediately start discussions and explore options with other U.N. member states.

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