# Budget Discipline at the U.N.? Not So Fast

February 6, 2019

By Brett Schaefer

National Review

<https://www.nationalreview.com/2019/02/united-nations-budget-process-reform-needed/>

Budget cuts at the United Nations are a bit like UFO sightings: the claims generally fall apart when the facts come in. Between 1960 and 2016, there have only been two times when an initially approved U.N. regular budget was lower than the preceding budget.

So, a year ago, when the United States Mission to the United Nations [touted](https://usun.state.gov/remarks/8243) a “historic reduction in spending” after the U.N. General Assembly approved a $285 million (5 percent) cut in the two-year regular UN budget for 2018-2019, U.N. watchers took notice, but [cautioned](https://www.foxnews.com/opinion/nikki-haley-has-a-lot-more-work-to-do-to-if-she-really-wants-to-cut-the-uns-budget) that the real challenge would be maintaining that cut over the entire budget cycle.

Why the skepticism? Because the U.N. adjusts its two-year budget at the mid-point to account for new expenditures and expenses. That means that claims of budget reductions are premature until these adjustments are implemented, which occurred this past December.

So, did the U.N. maintain last year’s budget reduction following the mid-point adjustment? Unfortunately, it did not.

Instead, the General Assembly approved a $415 million increase from $5.396 billion to $5.812 billion. Not only did the “cut” announced by the U.S. Mission to the United Nations a year ago disappear, but the regular budget is actually $130 million higher than the final budget for 2016-2017.

Those who pay attention to the U.N. budget –  admittedly, a pastime less popular than UFO hunting – know that [this outcome is typical](https://www.heritage.org/report/the-history-the-bloated-un-budget-how-the-us-can-rein-it). In fact, this exact situation occurred six years ago. In 2012, the Obama administration bragged that the agreed-upon budget was “the first U.N. regular budget since 1998 – and only the second in the last 50 years – that has gone down in comparison to the previous budget’s actual expense.” The 2012 budget, however, also ended up being significantly higher than the initial budget after mid-biennium additions.

In both instances, the U.S. Mission deserves credit for getting the initial cut. Since the U.S. abandoned its [policy of zero growth in the UN regular budget](https://www.heritage.org/report/the-history-the-bloated-un-budget-how-the-us-can-rein-it) in the early 2000s, the most common result is a budget increase at the beginning of the biennium followed by another increase at the mid-point. The chart below shows that the UN regular budget has increased on average $318 million at the mid-point in each of the last nine budget cycles.

Should Americans be upset by a budget increase that will see them paying $91 million – 22 percent of the $415 million increase – more than originally expected?

Not entirely. Some of the increase was inevitable. The two-year structure of the budget allows the organization to tweak the budget to account for inflation and exchange rate fluctuations – necessary flexibility since the U.N. operates in numerous countries with different currencies. The U.N.-budget jargon for these adjustments is “recosting.”

In addition, some of the increase addresses legitimate security concerns by bolstering U.N. political missions in Libya, Somalia, Yemen, and other crisis points. Obviously, the U.S. should scrutinize these expenditures to ensure effectiveness, but giving the U.N. resources to address unstable crises is reasonable.

However, too much of the U.N. regular budget is wasteful or dedicated to duplicative or low-priority activities of dubious merit. For instance:

* There is an additional $27.7 million for UN human rights activities, most of which is dedicated to funding the activities of the Human Rights Council. The Council, however, (1) includes human rights abusers like China, Cuba, and Saudi Arabia among its membership, (2) has condemned neither those countries nor Russia, Zimbabwe, or many other repressive governments for human rights abuses, and (3) was dismissed as a hypocritical “[cesspool of political bias](https://www.cnn.com/2018/06/19/politics/haley-pompeo-human-rights-bias/index.html)” by Ambassador Nikki Haley. The U.S. withdrew last year, but American taxpayers will be charged even more for the work of that “cesspool” after the budget adjustment.
* Another $19 million was added for “regional cooperation for development” that mainly goes to the UN’s regional economic commissions. These economic commissions, including one for Europe, ostensibly advise governments on technical cooperation and regional economic integration. This mandate [overlaps with the responsibilities](https://www.heritage.org/testimony/key-issues-us-concern-the-united-nations)of the World Bank, IMF, and other international organizations. Nonetheless, they continue because they employ roughly 2,000 UN staff – positions that are highly compensated and widely desired sinecures. The economic commissions cost nearly $300 million per year – money that would help far more people if allocated to the UN High Commissioner for Refugees or the World Food Program.
* An additional $9.4 million for construction and renovation of UN facilities, including $31.8 million for the “Strategic Heritage Plan” to renovate the UN complex in Geneva. Justified or not, these costs are not extraordinary or emergency in nature and should have been considered in the original budget, rather than added mid-biennium.

In a normal budget process, these funding additions would be proposed, debated and prioritized along with other funding proposals. But that isn’t how the U.N. budget process generally operates.

Once the General Assembly approves activities and expenditures, the U.N. considers them current and justified. When the U.N. approves new funding for unanticipated activities during the budget cycle, other governments tend to resist U.S. efforts to offset the new expenses. They argue that if the U.N. endorsed a budget, there is no need to cut or eliminate expenditures that were considered necessary just months before.

Fortunately, due to U.S. leadership under this and the previous administration, the U.N. regular budget will [shift to an annual budget](https://www.un.org/press/en/2018/gaab4312.doc.htm) starting in 2020. This change means that, in the future, U.N. member states will consider funding for new mandates in the context of all U.N. expenditures. This should help those countries seeking budget discipline and will allow them greater opportunity to focus resources on high-priority, effective activities rather than outdated, duplicative, or unproductive activities.

This change will help, but will not cure the fundamental problem: the majority of U.N. member states pay a minuscule share of the expenses of the U.N. The U.S. will pay $639 million (22 percent of the recently adjusted UN regular budget) in 2019 — more than 178 other U.N. member states combined and 22,000 times more than the 30 least-assessed countries, which will pay only $29,058 each. In fact, the 129 lowest-assessed countries – that’s two-thirds of all U.N. member states, the number necessary to adopt a new budget – will pay 1.633 percent of the regular budget combined.

Because most member states have little skin in the game, they have little financial incentive to fulfill their oversight role and seriously consider budgetary restraint. This a key reason why multiple U.S. administrations, Democratic and Republican, have struggled to get support from other member states to [rein in U.N. salaries](https://2009-2017-usun.state.gov/remarks/5172), [eliminate outdated mandates](https://www.heritage.org/report/united-nations-urgent-problems-need-congressional-action), and enact other budgetary reforms.

Not every member state should pay the same amount; there are legitimate differences in the capacity of smaller or developing countries to pay for the expenses of the U.N. However, being a U.N. member state with all of the privileges and power that status affords should cost more than a midsize car or a year’s tuition at college.

Unless this dynamic changes, the bulk of U.N. member states will remain more concerned with what they can get out of the U.N. budget than with ensuring that the budget prioritizes those tasks that advance the purposes and principles of the United Nations.