

# ConUNdrum

## The Limits of the United Nations and the Search for Alternatives

Edited by  
Brett D. Schaefer

Published in cooperation with the  
Heritage Foundation

ROWMAN & LITTLEFIELD PUBLISHERS, INC.  
*Lanham • Boulder • New York • Toronto • Plymouth, UK*

Published by Rowman & Littlefield Publishers, Inc.  
A wholly owned subsidiary of The Rowman & Littlefield Publishing Group, Inc.  
4501 Forbes Boulevard, Suite 200, Lanham, Maryland 20706  
<http://www.rowmanlittlefield.com>

Estover Road, Plymouth PL6 7PY, United Kingdom

Copyright © 2009 by The Heritage Foundation

Published in cooperation with the Heritage Foundation.

Published in association with the literary agency of Alive Communications, Inc.,  
7680 Godard Street, Suite 200, Colorado Springs, Colorado, 80920  
[www.alivecommunication.com](http://www.alivecommunication.com).

*All rights reserved.* No part of this book may be reproduced in any form or by any electronic or mechanical means, including information storage and retrieval systems, without written permission from the publisher, except by a reviewer who may quote passages in a review.

British Library Cataloguing in Publication Information Available

Library of Congress Cataloging-in-Publication Data

ConUNdrum : the limits of the United Nations and the search for alternatives /  
edited by Brett D. Schaefer.

p. cm.

Includes bibliographical references and index.


ISBN 978-1-4422-0006-7 (cloth : alk. paper)—ISBN 978-1-4422-0008-1  
(electronic)

1. United Nations—Evaluation. I. Schaefer, Brett D.

JZ4984.5.C665 2009

341.23—dc22

2009019874

™ The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences—Permanence of Paper for Printed Library Materials, ANSI/NISO Z39.48-1992.

Printed in the United States of America

## Foreword

---

# The Key to Changing the United Nations System

*Ambassador John R. Bolton*

There has perhaps been more commentary in the United States that is critical of the United Nations in recent years than in any comparable period. There are many reasons for the growth of this criticism: the Security Council's failure to take its own resolutions seriously in case after case, especially in the face of Saddam Hussein's defiance; the Oil-for-Food scandal; the endless efforts in one policy area after another to "norm" the United States into compliance with a liberal agenda that could not achieve a majority within our own democratic system; and international officials who seem to think that U.N. member governments work for them and not the other way around.

Whatever the reasons, and they are many, the growing criticism has legitimately raised the attendant question: what do you plan to do about it? This volume is a significant step toward answering that question, covering as it does the broadest range of U.N. activities. The succeeding chapters are rich with ideas and suggestions for "change," the political flavor of the day, thus in themselves giving the lie to the idea that there is no alternative to the United Nations as we know it.

This foreword attempts to set the stage for the creative analyses and proposals that follow by briefly describing the sad, and largely unsuccessful, history of U.N. reform efforts in the past thirty years and by then explaining revolutionary change that might actually produce a different result: moving toward voluntary funding of the U.N. and its activities. In addition, it provides complementary information about the culture of the U.N. organiza-

tion and its member states that any subsequent American reform efforts, in whatever substantive policy area, will have to take into account. The high-minded won't like reading these pages, but it will do them a world of good.

## THE SOURCE OF THE PROBLEM

Core funding for most U.N. agencies ("regular budgets") and nearly all peacekeeping activities typically comes from "assessed," or "mandatory," contributions, a system under which members' shares are calculated on the basis of a so-called capacity to pay formula that is adjusted periodically to take changes in per capita gross national income and other factors into account.<sup>1</sup> Significantly, however, decisions on budgets and programs by the General Assembly and the governing bodies of the galaxy of U.N. specialized agencies are made on the basis of one-country, one-vote no matter what share of the assessments any member government pays.<sup>2</sup> Not surprisingly, governments that pay comparatively low assessments but receive comparatively high benefits have combined repeatedly to create and fund programs that inure to their benefit.

Under this system, the United States was "assessed" 22 percent of U.N. "regular" budgets in 2007 and just over 26 percent in the case of peacekeeping.<sup>3</sup> Each of the U.N.'s 191 other member governments pays a far lower rate of assessment than the United States. Japan was the second-largest contributor to the U.N. regular budget in 2007, paying 16.6 percent, followed

---

1. There are significant problems with the "capacity to pay" concept, the calculation of which rests on prevailing exchange rates rather than, for example, "purchasing power parity" calculations, and involves various adjustments ("the scale of limits") that have been injected into the calculations over the years. So heated and so complex are the debates over this formula that the periodic reviews of the methodology of its calculation conducted in 2006 could not reach agreement on anything other than extending the long-standing existing methodology despite its widespread flaws.

2. Article 18, Section 1, of the U.N. Charter provides that "each member of the General Assembly shall have one vote." Section 2 provides that "budgetary questions" are among those considered to be "important," thus requiring "a two-thirds majority of the members present and voting." Article 17, Section 2, of the Charter provides that "the expenses of the Organization shall be borne by the Members as apportioned by the General Assembly."

3. The five permanent members of the Security Council pay larger assessments for peacekeeping because of the political circumstances after the 1973 Arab-Israeli war. Contrary to the prevailing mythology, there is nothing inevitable about this extra obligation for the permanent members. U.N. General Assembly, "Scale of Assessments for the Apportionment of the Expenses of United Nations Peacekeeping Operations," A/61/139/Add.1, December 27, 2006, 2-8.

by Germany at 8.6 percent. Permanent U.N. Security Council member Britain was the fourth-largest contributor at 6.6 percent, followed by fellow European permanent Security Council member France at 6.3 percent. The other two permanent members of the Security Council, China and Russia, paid 2.7 percent and 1.2 percent, respectively. Thus, the United States paid more in regular budget assessments than the combined totals of the other four permanent members of the Security Council.

The lowest-paying fifty-four U.N. member governments that were assessed 0.001 percent for the regular budget in 2007, in the aggregate, pay a whopping 0.054 percent of the total U.N. regular budget. The 128 least assessed governments combined pay less than 1 percent of the budget. By contrast, the seventeen countries that each pay annual, regular-budget assessments of over 1 percent contributed, in the aggregate, 86.5 percent of the U.N.'s regular budget in 2007. Yet under U.N. rules each of those countries has equal say in adopting the budget. That means that two-thirds of the General Assembly membership (128 out of 192 total member states) that pays, in the aggregate, less than 5 percent of the amount that the U.S. alone is assessed, can under U.N. rules approve the U.N. budget over the objections of the United States and the sixteen other countries that foot over 86 percent of the bill. Thus, despite the U.N. Charter's requirement that budgetary questions must be decided by a two-thirds majority of the U.N. General Assembly,<sup>4</sup> in practice the two-thirds provision has provided little practical protection to the largest contributors.

Instead, the system of assessed contributions, combined with one-country, one-vote decision making, has created a kind of "entitlement mentality" within the U.N. system over the years as governments and Secretariats routinely expect that budgets will be funded without regard to agency performance, effectiveness, transparency, or accountability.

The U.N.'s strongest supporters often chide its critics for blaming the Secretariat or the U.N. itself for its failures rather than blaming the member governments—a criticism that is often richly deserved. In the matter of U.N. reform, this analysis is true in spades, and even support from former secretary-general Kofi Annan was not enough to persuade Non-Aligned Movement (NAM) and Group of 77 (G-77) countries to go along with his reform proposals. But the real failure was not the unwillingness of the Third World to try to fix them, but the failure of will among many of the U.N.'s largest contributing countries to support the reform effort.

Of course, the NAM and G-77 should have seen that their real long-term self-interest would lie in a more effective United Nations, a point that the United States has made time and again. Unfortunately, the Third World view was largely "if it ain't broke, don't fix it," which certainly suited their

---

4. See note 2 above.

short-term interest. More mystifying was the unwillingness of many Western nations to stand firm for reform—not just on financing issues, but on so many others as well—despite their own manifest interest in keeping U.N. costs under control and justifying to their public, as we in the United States have to do, and legitimately so, that U.N. assessments were actually being used for worthwhile purposes.

Here is where the great divide between the United States, Japan, Australia, Canada, and a few others on the one hand and most of the member states of the European Union (EU) on the other was most clearly exposed. Many diplomats from countries with relatively large assessed contributions simply did not care as much about reform as their public rhetoric, and that of their political masters back in their capitals, suggested. Perhaps because the actual size of their assessed contributions was nowhere near as high as those for the United States, or perhaps because the U.N. contributions could be sold to the leftward side of their political spectrums as helping the developing countries, or perhaps because they were more concerned about measuring inputs to the U.N. system than they were about measuring outputs, their commitment to reform usually failed in the crunch.

In fact, because of their domestic government decision-making mechanisms, almost all EU members, as a purely practical matter, simply do not have the burden of justifying the rate or the amount of U.N. assessments as much as do the United States and a small number of others. In substantial measure, domestic political support for the U.N. in EU countries, often generated by government-funded “nongovernmental organizations” (a true oxymoron if ever there was one), takes criticism of the U.N. off the table in their internal budget deliberations. EU governments simply point to the amount of their respective assessments, explain that payment is “mandatory” under international law, and have their parliamentary majorities approve whatever the amount is.

Indeed, very few U.N. member governments actually scrutinize agency budgets intensively, and only a handful actually have more than one or two full-time civil servants for whom U.N.-system budget issues are their assigned responsibility. Most U.N. ambassadors, not to mention foreign ministers, disdain to engage in “bean counting,” thus ensuring that budget issues do not receive anything like adequate attention. Inevitably, this lack of member-government oversight, combined with the theory and practice of assessed contributions, leads to inefficiency and, too often, corruption in the implementation of U.N. programs, especially in the area of procurement. Moreover, since the bulk of U.N. funding in, for example, the Secretariat in New York goes for salaries and related expenses, positions in the Secretariat are highly prized by diplomats and politicians from many member governments, forming, over the years, yet another kind of entitlement.

More skeptical Americans (and a few others, as noted above) actually

want to know whether their tax dollars are being used effectively, so there is a true cultural gap across the Atlantic. There are, of course, skeptical Europeans who also like to think their tax dollars are well spent, and there are Americans who disdain to question U.N. assessments, but the cultural gap is nonetheless real.

Thus it is, in the real moments of decision at the U.N., often late at night when the media have departed or in closed sessions where they were never permitted entry, that the Europeans break ranks on reform and budget issues. Shrinking from open voting, devoted to the concept of "consensus" that provides cover for the timid and almost guarantees the triumph of the lowest common denominator, time and time again, EU governments support "compromises" with the NAM and the G-77 that generally look like Third World victories to naive, straw-in-their-hair Americans.

The resulting ineffectiveness, fraud, and mismanagement have led to increased attention in the United States by the public and by policymakers, and episodic efforts to address those failings through various reform efforts. Three examples illustrate different tactics, but similar results.

#### WITHHOLDINGS AND THE "CONSENSUS-BASED BUDGET"

In the 1980s, faced with repeated U.S. losses in the General Assembly on program and budget issues and general anti-Americanism within the U.N. system, reflected in vote after vote, the U.S. Congress revolted against the "mandatory" nature of assessed contributions and began to withhold substantial amounts of funding from the U.N. system. Congress had previously withheld limited amounts of assessments, targeted at particular U.N. programs or practices (such as those intended to aid the Palestine Liberation Organization, or PLO), but the across-the-board withholdings of the mid-1980s represented large cuts in the congressional appropriations accounts for international organizations and, after several years of withholdings, amounted to substantial sums.

Congress tried other approaches as well, such as the Kassebaum-Solomon Amendment, which called for the U.N. either to adopt a system of "weighted voting" based on assessment levels rather than one-country, one-vote or to see even steeper cuts in American contributions. At the same time, the Reagan administration announced that the United States (later joined by the United Kingdom and Singapore) was withdrawing from the United Nations Educational, Scientific and Cultural Organization (UNESCO), effective December 31, 1984, largely because of gross mismanagement and the politicization of the agency's supposedly educational programs. The three withdrawals from UNESCO meant the loss of almost one-

third of the total assessments from member governments (the U.S. share at that point being 25 percent).

These losses—and the potential that more were coming—caused a major trauma in the U.N. system. The entitlement system seemed broken, and indeed it was. By withholding substantial sums of money and actually withdrawing from a U.N. specialized agency, the Reagan administration and Congress had demonstrated that American patience was not unlimited. Although the United States received strong international criticism for what many foreign governments saw as an excessively blunt response, in the United States, the moves generated wide bipartisan support.

For instance, Congress adopted the Kassebaum-Solomon Amendment to the Department of State Authorization Act for 1986 and 1987, which withheld 20 percent of U.S. assessed contributions to the U.N. regular budget and specialized agencies until weighted voting on budgetary matters was adopted. To turn the U.S. spigots back on, if for no other reason, the U.N. and its specialized agencies moved toward “consensus-based budgeting,” a system under which all budget decisions were to be taken unanimously (the proper definition of “consensus”). Under such a system, it was argued, the United States in effect would have a veto over budgets, programs, and assessments that it did not like, since it could withhold its support for such measures and thus “block consensus.” Thus protected against being routinely outvoted, or so it was argued, the U.S. could resist mismanagement, fraud and abuse, bloated budgets, and unproductive programs. Moreover, the major contributors, worried now—finally—about the reliability of the U.S. assessed contribution and working through their loose association, known as the Geneva Group, developed a position known as Zero Real Growth in U.N. budgets, a technique for measuring budgets to eliminate the seemingly inevitable upward creep in U.N. budget levels.

At the end of the Reagan administration and into the new Bush administration, convinced that things had really changed at the United Nations, and in large part to take advantage of “new thinking” in Soviet foreign policy, the United States began a program to repay the arrearages that had accumulated over the 1980s. The consensus-based budgeting was deemed an acceptable compromise and President Ronald Reagan exercised his waiver under Kassebaum-Solomon so that the United States could pay its assessment in full. In the early 1990s, the Kassebaum-Solomon legislation was not reauthorized, thereby removing the financial consequences of failing to adhere to the consensus-based budgeting agreement. As events transpired in the U.N. system, however, consensus-based budgeting did not live up to expectations. The United States and its program and budget priorities remained highly isolated within the U.N., and time and time again, U.N. budget meetings would find only the U.S. delegation “blocking” a consensus.

Invariably, however, the United States would give in, agreeing to join the consensus rather than remain isolated, thus revealing a key cultural flaw in American diplomacy and the central weakness of consensus-based budgeting: American diplomats—and, to be fair, those of many other countries—fear being “isolated.”

It is not good form in diplomatic circles to be “isolated,” even if that means following instructions from your government and adhering to positions your government believes to be in its interest. Other diplomats, friend and foe alike, harp on your “isolated” position, on how out of step you are, and on how late in the evening it’s getting, how many spouses and dinner parties are being stood up, or how many weekend plans are being frustrated. Even though the overwhelming loss of a General Assembly vote is tangible evidence of isolation, being almost the only country to refuse to join a “consensus” is a near relation. Other delegations—not just those from the G-77 and the NAM, but particularly those from the EU—prey on the fear of “isolation.”

In short, being “isolated” is no fun for diplomats and they strenuously avoid it. Only rarely did the United States stand against the risk of being isolated, whether on budget or policy issues or at their intersection. One important example—and a lesson about life in the U.N.—took place during the PLO’s 1989–1990 campaign to gain admission as a “state” to U.N. specialized agencies.<sup>5</sup> Faced with the near certainty that the PLO would succeed in becoming a member of its first target agency, the World Health Organization (WHO), Secretary of State James A. Baker III in effect threatened that the United States would withhold U.S. assessments from any agency that enhanced the status of the PLO in any way, thus preventing the PLO from creating new “facts on the ground” in the Middle East through the pretense of being recognized as a “state” within the U.N. system. The threat to defund was, of course, not as profound as withdrawing from UNESCO, but it demonstrated that the U.S. executive branch, as well as Congress, was fully capable of exercising financial leverage within the United Nations when it served American interests to do so.

The critical point, however, is that the protection supposedly afforded to the United States by the requirement of a consensus on budget and program issues broke down in practical terms. The U.N. resumed making decisions on expenditures without adequate attention to U.S. positions and interests, and Congress again reacted, especially in light of the huge growth in peacekeeping budgets in the 1990s and the failures of many U.N. mis-

---

5. The governing documents of most U.N. agencies limit membership to “states,” so what the PLO was trying to do was to transform itself into a “state” in the eyes of the U.N. system and then use this new “fact” in its negotiations with Israel.

sions.<sup>6</sup> Peacekeeping had, in any event, never really been subject to the concept of Zero Real Growth, which had always been most applicable only to core agency administrative budgets, and a spike in peacekeeping operations drove budgets sharply higher. Congress responded in the mid-1990s with another wave of general withholdings across the U.N. system that once again placed its entitlement mentality in jeopardy. This time, the U.N. response was a reduction in the level of U.S. assessments, down from 25 percent to 22 percent for general budgets and from approximately 31 percent to 27 percent in peacekeeping.

The reduction in the U.S. assessment and the commensurate increase in the assessment rates for a number of other countries to offset the U.S. reductions mollified congressional critics in the short term by reducing upward budget pressures on the U.S. even though it did not actually reduce the U.N. budget. But the reduced assessments did not address the central underlying problem that the United States faced: a continuing decline in its influence. The "consensus" system continued, reflected in continued defeats and concessions by the United States.

Ironically, it was during the administration of George W. Bush that the policy of seeking Zero Real Growth or even Zero Nominal Growth in U.N. budgets broke down. Following the successful initial operations in Afghanistan and Iraq, the United States sought greater U.N. involvement in rebuilding those states and establishing democracies. The United States preferred that these operations be special political missions funded through the regular budget at a lower cost to the United States than if they were peacekeeping missions (22 percent versus over 26 percent). Many U.N. member states, which resented President George W. Bush's decision to sidestep official U.N. approval of the Iraq war, insisted that funding for these missions be in addition to existing budgetary commitments and resisted U.S. efforts to cut other parts of the regular budget to fund them. The falling U.S. dollar also led to increased operational costs for the U.N. that were built into the U.N. budget increases. For all these reasons, the United States agreed to increase the budget.

In Bush's second term, budget restraint at the U.N. all but disappeared. The administration acquiesced to U.N. budget increases for which a Clinton administration would have been pilloried, and this acquiescence encouraged even higher budgets. In December 2007, the General Assembly voted 142 to 1 to approve a 2008–2009 biennium budget that is projected to reach \$5.2 billion, a 25 percent increase over the previous budget; the United States cast the sole "no" vote. This outcome marked the formal demise of the "consensus" voting process on U.N. budgets, a two-decade tradition that had given each country a "veto" on budget matters—further

6. See, generally, Frederick H. Fleitz Jr., *Peacekeeping Fiascoes of the 1990s: Causes, Solutions and U.S. Interests* (Westport, CT: Praeger, 2002).

demonstrating that U.N. promises regarding reform are meaningless unless backstopped by the threat of U.S. financial withholdings.

### THE "OIL-FOR-FOOD" SCANDAL

Enormous amounts of once-hidden information have come to light because of the exhaustive report on the Oil-for-Food Program prepared by Paul Volcker, former chairman of the Federal Reserve Board; the investigative reporting of journalists including Claudia Rosett and Eric Shawn;<sup>7</sup> and congressional investigations led by Senator Norm Coleman (R-MN), Congressman Chris Shays (R-CT), and now-deceased congressman Henry Hyde (R-IL), formerly chairman of the House International Relations Committee. Saddam Hussein's perversion of what was supposed to be a humanitarian assistance program for the Iraqi people into an instrument for reinforcing his Ba'ath regime's power, the level of corruption exposed within the U.N. system and among governments and businesses gorging on Oil-for-Food revenues, and the inattention of the U.N. Secretariat and members of the Security Council stunned many in the United States.

One of Paul Volcker's most important contributions in uncovering the morass within the Oil-for-Food Program was his penetrating insight that its many problems were not unique to the program. To the contrary, Oil-for-Food emerged out of the existing U.N. system, relying on existing U.N. procedures and regulations, employing many longtime U.N. employees in senior positions, and following well-trodden U.N. pathways in its operations, including an appalling lack of oversight from top Secretariat officials, including former secretary-general Kofi Annan.

Ineluctably, therefore, Volcker concluded that the prescription for avoiding future Oil-for-Food scandals was basic reform of the United Nations itself—a conclusion quite surprising to top U.N. management at the time, which had hoped that Volcker's report would confine the attention of the press and member governments to the now-defunct Oil-for-Food Program. Faced instead with a repudiation of the culture of inattention to effectiveness and lack of management oversight that had grown right alongside the entitlement mentality in the U.N. system, even top U.N. management officials recognized that they had to do something to stop the coruscating stream of criticism they now faced, especially in the United States.

Volcker himself recommended a number of reforms, largely calling for greater accountability, stricter auditing procedures with outside oversight, and management techniques that are second nature to publicly held corpo-

7. See, generally, Eric Shawn, *The U.N. Exposed: How the United Nations Sabotages America's Security and Fails the World* (New York: Sentinel/Penguin Group, 2006).

rations in the United States and around the world and accepted practice among most Western governments. Only at the U.N. could Volcker's suggestions be treated as revolutionary or threatening. Indeed, the U.S. program of reform was far broader, although Volcker's proposals were certainly first steps that were worth supporting, but only with the expectation that more sweeping changes had to follow.

What finally emerged after a long, confused, and inconclusive struggle in the U.N. General Assembly, however, were "reforms" that only barely increased the levels of accountability and oversight rather than the kinds of changes that were truly needed to change the underlying culture of the organization. Related efforts to bring the U.N.'s budget under control through review and reform of the countless "mandates," or programs of work created for the Secretariat over the years by the General Assembly and other U.N. bodies, similarly went essentially nowhere.

Broader reforms were often buried in the assembly's Fifth Committee, which almost all diplomats in New York recognize as essentially the graveyard of reform efforts. Of course, one reason the nearly impenetrable deliberations of the Fifth Committee had evolved over decades the way they had was that ambassadorial-level personnel from major contributing countries, especially those of the European Union, rarely graced the committee's deliberations with their attention or their presence. The United States and Japan, as the U.N.'s two largest contributors, have, over many years, been exceptions to this tendency, but their efforts alone rarely sufficed.

By leaving the committee's responsibilities to working-level "experts" for so long, the ambassadors demonstrated how little they cared about its work or its decisions. As one Latin American ambassador said to me with no trace of irony, "It's only money." By contrast, the ambassadors and experts from the developing countries of the Non-Aligned Movement and the Group of 77 became truly proficient in the arcane ways of the Fifth Committee, which they had largely helped shape over the years to protect favorite programs and staff positions in the Secretariat. Thus, after one of the most extensive reform efforts in recent U.N. history, the progress made was limited.

## THE HUMAN RIGHTS COUNCIL

The U.N. Commission on Human Rights (CHR) for many years had been a target for U.N. reformers because of its prominence as a refuge for human rights violators, which used their membership to protect themselves against real human rights scrutiny. Moreover, the CHR was a hotbed of anti-American and anti-Israeli activity, as well as a locus for international leftist interest groups to pursue their own agendas, such as opposition to the

death penalty. Over the years, the United States had strongly resisted the outrages annually perpetrated in the Commission on Human Rights, starting with President Reagan's decision to appoint a refugee from Fidel Castro's tyranny, Armando Valladares, as the U.S. representative to the CHR. Eventually, even Kofi Annan called for eliminating the CHR in order to remove its continuing stain on the U.N.'s reputation and for replacing it with a body that would actually promote human rights internationally rather than serve as a propaganda vehicle for authoritarian regimes.

To that end, the United States, the EU, and several other key U.N. members laboriously constructed the elements for a new Human Rights Council (HRC) that would avoid the errors of the commission it was to replace. Through a series of procedural devices (smaller membership, flat ineligibility for human rights violators, election by a two-thirds majority of the General Assembly rather than a simple majority, etc.) operating in tandem, the reformers believed that a new body could actually be constructed that would function differently from the existing CHR.

Unfortunately, faced with determined opposition from Russia, China, and the NAM, the Europeans step-by-step backed away from almost all the procedural reforms that had been proposed, either watering them down or dropping them entirely. No one concession or compromise in the draft resolution creating the new HRC was dispositive, but the cumulative effect of the European retreat was to guarantee that the new body would be composed pretty much as its predecessor had been and would therefore behave in pretty much the same way.

I knew that all hope had to be abandoned when the Europeans gave up a provision in the draft resolution that would have barred from HRC membership any nation under Security Council sanctions for gross abuses of human rights or support for international terrorism. What was the NAM argument against this provision that collapsed the Europeans? The provision was unfair because no permanent member of the Security Council would ever be under sanctions, and therefore, no other countries should be precluded from HRC membership simply because they were not a permanent council member.

I knew the game was up at that point, and, in truth, so did the Europeans. I concluded that the United States should vote against creating the new Human Rights Council, arguing within the State Department that bringing into existence a new body that was no better than the existing Commission on Human Rights would doom real reform for as far as the eye could see. The only hope was to keep the existing CHR in operation for one more year to remind everyone just how bad it was and then try in the following year (so I argued internally) to stiffen European spines to the point where we could take a real run at reform.

That argument was persuasive inside the U.S. government, and we

decided to vote "no." Somewhat more obliquely made to the Europeans, however, the argument failed, because they were more determined to declare victory in a "reform" effort than they were to acknowledge that they had been collectively outnegotiated by the NAM. Indeed, the Europeans not only argued that we should vote in favor of the new HRC, but also urged that we seek election to the first session of that body and try to do there precisely what we had failed to do in the General Assembly authorizing resolution.

By the close of the negotiations on the draft resolution, the Europeans had turned from trying to fix the resolution to doing anything they could to get the United States to support it, despite its contents, and to commit to run for election. They knew full well that if the United States stood apart from the new HRC, it would delegitimize the body, at least in U.S. eyes and quite likely more broadly. It was with this background in mind that I said to the press that the United States did not intend to put lipstick on a caterpillar and call it a butterfly.

The Europeans proceeded to do just that, and the new HRC was created by an overwhelming vote in the General Assembly, with the United States and three other close allies well and truly isolated. Although I cannot prove it after the fact, I believe that the only thing that might have saved the new HRC from infamy would have been a U.S. pledge to withhold financial support from the new body. So eager were the Europeans to have the United States support it and seek to join it, to have our presence give their retreat protective coloration if nothing else, that the threat to withhold funding might, in and of itself, have been such a shock to their sensibilities that it might have brought them back to reality. This was the technique that worked for Secretary of State Baker when he used the threat to withhold American contributions from the World Health Organization or other agencies that admitted the PLO as a member government in 1989-1990, and it might well have worked again.

Given the alignment of views within the U.S. Department of State, however, withholding funds, or even threatening to do so, was never a possibility. As a result, we now have a body that even the *New York Times* and the *Washington Post* agree is as bad as or even worse than its predecessor.

### THE NEED TO MOVE TO VOLUNTARY FUNDING

Each of the above examples demonstrates the importance of moving to voluntary contributions and using the withholding of U.S. assessed contributions as a means of achieving that objective. Dogged efforts to reform the U.N. have stalled or ended inconclusively despite years of struggle: consen-

sus-based budgeting has failed; Zero Nominal (or even Real) Growth is dead as a policy; U.N. budgets are once again climbing at an alarming rate; high-profile examples of the need for increased oversight and accountability, such as the Oil-for-Food scandal, have resulted in few substantial improvements; and a widely supported effort to improve the key U.N. body overseeing human rights resulted in a new body that arguably is worse than its predecessor.

We have essentially reached the end of the line of decades of effort at marginal or incremental reform of the U.N. system. Every time some small progress is made, a new or different abuse is uncovered. As we work to resolve the serious issues raised by the Oil-for-Food scandal, we uncover "Cash for Kim" cash flows from U.N. agencies or programs that have allowed North Korea's dictatorial Kim Jong Il regime to channel resources intended for humanitarian purposes to help keep itself in power. Procedural fixes have not worked, costs continue to climb, and the role and influence of the United States continue to diminish.

The accumulated evidence of decades points unarguably to the conclusion that only a major shift in attitudes within the U.N. system can lay the basis for sustained improvements in U.N. performance, accountability, and transparency. That shift must entail breaking the grip of the one-country, one-vote decision-making system in the U.N. and simultaneously breaking the entitlement mentality that has long pervaded the system. There is only one reform that can accomplish these objectives, and that entails shifting from today's predominant financing system, which relies on assessed contributions to defray the costs of U.N. agency budgets, to voluntary contributions. Transparency alone cannot succeed, even though the United States, supported by only a few other U.N. members, has continued to work to bring greater transparency to the U.N. system.<sup>8</sup>

Moving to voluntary funding would end the practice of the U.N.'s charging the member states for the expenses of the U.N. and its activities. Member states would instead determine for themselves how much they provide to the United Nations and, importantly, the specific tasks and activities that those contributions would support. The shift toward a voluntary payment system would impose a stronger market incentive for U.N. programs and activities to meet their goals and justify continued funding. After all, if an activity, program, or office could not demonstrate its effectiveness, member states would be reluctant to continue to support it.

Contrary to the claims of those who oppose moving toward voluntary funding, such a system would not necessarily threaten U.N. activities. Many independent U.N.-affiliated funds, programs, and specialized agencies cur-

8. For example, see Colum Lynch, "U.S. Officials Divulge Reports on Confidential U.N. Audits," *Washington Post*, February 12, 2008, A10.

rently work well relying on voluntary funding. Such funding has remained fairly stable from year to year with donor nations consistently and reliably providing money for activities that they support. Indeed, in many cases, voluntary funding has increased sharply. Almost without exception, only voluntarily funded activities that fail to meet donor expectations of performance experience reductions in funding levels. This type of financial accountability is precisely what is needed at the U.N.

No one can doubt that such a shift would require even more Herculean efforts than the reform movements that have gone before and that it would encounter equal if not greater opposition, both from U.N. member governments and from the Secretariat. The difference is that—instead of relying on ponderous efforts within the U.N. system that produce minimal or no results—this reform could be initiated by the United States, acting on its own through the congressional appropriations process, and the rest of the U.N. system could then react.

Even a serious and extensive discussion of shifting to voluntary contributions would have a profound impact across the U.N. system, and this impact can be only beneficial. As with the broad withholdings of the 1980s and 1990s, more targeted efforts such as those against PLO-related activities, the withdrawal from UNESCO, and the threat to defund WHO, anything that so dramatically threatens the status quo has the potential to produce a cultural revolution in the U.N. system. Moreover, seeking to establish a system of voluntary contributions would be no more difficult, and may perhaps be even more popular, than the system of weighted U.N. voting contemplated by the Kassebaum-Solomon Amendment of the 1980s, which would have required amending the U.N. Charter rather than simply having the General Assembly exercise its powers under Article 17.<sup>9</sup>

The concept that switching to voluntary contributions would have an important positive impact rests in part on the evidence provided by several decades of operations by U.N. agencies and programs that have largely been so funded. The World Food Program, the U.N. High Commissioner for Refugees, the U.N. Joint Program on HIV/AIDS (UNAIDS), and other voluntarily funded programs have typically been more responsive to major contributors, more effective in their work, and more transparent than those funded by assessed contributions. Their leaderships have typically recog-

---

9. See note 2 above. An alternative that would have the benefit of not requiring an amendment to the Charter would involve the General Assembly's adopting an additional requirement through a resolution that the budget must have support from member states paying at least two-thirds of the budget in addition to the Charter's requirement that it be supported by two-thirds of the member states. In essence, this would create a double hurdle for budget approval and protect the interests of large contributors to the U.N. budget.

nized that, lacking an "entitlement" to assessed contributions, they have to demonstrate their utility on a continuing basis or will find donors taking their scarce resources to other agencies and programs that the donors deem more effective.

Not surprisingly, therefore, it is the pressure of budgets constantly at risk that drives agency managements to superior performance, much as competition in private enterprise drives the necessity to measure outputs and not just inputs. Voluntary funding is not the only important factor, of course, as even some agencies so funded, such as the U.N. Development Program (UNDP), have often proven to be as uncooperative and intransigent as agencies funded through assessments.

Nonetheless, voluntary funding is at least a necessary if not a sufficient condition for the profound improvements we should insist on. The general pattern is clear, and much of the analysis in the following chapters examines ways in which the question of voluntary funding and related initiatives can be implemented across the U.N. system. Many other improvements are needed, to be sure, but the advent of voluntary funding would unquestionably enhance the role and impact of U.S. views and interests. We are concerned here not with creating simply a Platonically "better" United Nations, but with creating one that more closely advances the interests of the United States. For, surely, if the U.N. cannot be used more frequently as an effective instrument of American foreign policy, its long-term prospects for success are minimal at best.

Some will respond that such an unambiguous assertion of U.S. national interests will simply encourage other nations to do the same and leave the U.N. open to often-conflicting national agendas. Those who know the U.N. well, of course, know that this is already the case and that too often it is the U.S. agenda that does not prevail. If U.S. efforts to move to voluntary funding should spur other nations to increase their own funding as a way to retain or enhance their level of influence, so be it. Let those who prefer to channel funds through U.N. programs they see as desirable do so without limit, and let them have influence accordingly. And let those less impressed with this or that U.N. agency take their money elsewhere in the U.N. system or out of it entirely.

Some will argue that withholding assessed contributions violates our obligations under the U.N. Charter, and thus international law, crying out, "*Pacta sunt servanda*" ("agreements must be observed"). These claims are false. For one thing, compliance with the U.N. Charter has been a sometime thing for almost all the members throughout its history, and this irregularity hardly gives force to the idea that we are required to pay for programs being repeatedly voted on by Charter violators. Indeed, if legal doctrines matter here, the one that matters most significantly is *rebus sic*

*stantibus*, the doctrine that changed facts and circumstances render a treaty nonobligatory.

Moreover, and more practically, the level of assessments is an inherently political decision and can be resisted as a matter of legitimate political disagreement. Suppose, for example, that an overwhelming U.N. majority, desiring to express its displeasure at the U.S.-led overthrow of Saddam Hussein without express Security Council authorization, decided to make the U.S. assessment 99 percent. There is nothing in the U.N. Charter to prevent the other U.N. members from doing this. Would anyone in the U.S. Congress seriously argue that we were legally obligated to pay such an assessment?

At its base, this is not a question of law, but a question of political conflict among U.N. member states. Undoubtedly, if the United States were to resume the withholding of assessed contributions—in our third great wave of such withholdings—there would be a political uproar in the General Assembly, and the eventual outcome would be decided in a political fashion, which is exactly the way it should be.

As this book was being written, Congress and the Bush administration decided to withhold the proportionate American share of HRC funding from the overall U.S. assessment for the U.N. Such a withholding is a relatively small (in Washington terms) amount of money, perhaps \$2 million–\$3 million, but the decision to withhold sent a powerful political signal throughout the U.N. system.

*First*, it showed that the United States, if sufficiently motivated, will withhold assessed contributions, certainly with respect to programs with little or no support in our country.

*Second*, it signaled to other illegitimate and unproductive U.N. programs that they could be next.

*Third*, and most significantly, it signaled to the entire U.N. universe of agencies, funds, and programs that the prospect of broader, across-the-board withholdings was back on the table.

While broad-based financial withholding has little support on the left, it is a powerful tool to leverage reform in the United Nations. The Obama administration and the Democratic majorities in Congress should consider their options carefully before deciding to oppose withholding on principle. Those committed to multilateral action through the U.N. have the most to lose from an ineffective, unresponsive, and unaccountable United Nations.

The purpose of this volume is to look forward on a U.N. systemwide basis. The authors certainly do not have lockstep views on the subjects they cover. They do, however, provide an array of fresh ideas and new thinking on the U.N., presenting analyses and ideas that all should welcome, from those who are skeptical that any reforms can truly succeed at the U.N. to the U.N.'s strongest advocates.

Indeed, it is the latter who should pay the closest attention.